



Regional  
Development  
*Australia*

WHYALLA &  
EYRE PENINSULA INC.

# Annual Report 2012-2013



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## STRATEGIC CONTEXT



**Developing an Eyre of Prosperity**

## CHAIRMAN'S REPORT

On behalf of Regional Development Australia Whyalla and Eyre Peninsula Inc (RDAWEP), Board Members, staff and key strategic partners, I am pleased to provide this Chairman's Report and present to you the Board's Annual Report for 2012-13.

This has been an extremely unsettling and difficult year with substantial highlights and some notable lowlights. Dealing with the lowlights first, two key issues disrupted RDAWEP operations during the course of this year.

The first and by far the most serious, was a significant reduction of South Australian Government core funding to the 7 regional RDA Committees. This caused a considerable amount of anguish in our region as the 11 Local Government Councils were encouraged to increase their funding contribution to RDAWEP. The resulting uncertainty about the future of operation of RDAWEP led to the loss of 2 staff members and the Board had to go to considerable lengths to reassure the remaining staff that their jobs were secure.

It is widely known that the RDAWEP region has substantial potential and opportunity to contribute to and strengthen the South Australian economy. However the State Government decision to reduce funding to regional South Australia is not only extremely disappointing, but it reduces the potential of RDAWEP to successfully deliver regional development project initiatives.

One outcome from this situation was that RDAWEP was instrumental in gaining the support of the 7 RDA Committees to engage the South Australian Centre for Economic Studies to undertake an independent review of the RDA Board framework in South Australia. The aim of the review was to develop a long term sustainable RDA business model through an assessment of the achievements and success of the South Australian RDA network. The study was highly critical of the lack of State Government support and integrated regional planning and recommended that the previous levels of core funding should be reinstated. The report was presented to the Premier in early 2013 but a response has yet to be received.

The second disruption was that our long serving Chief Executive Officer, Mark Cant, resigned to pursue a new career direction. Mark led the organisation for over 13 years, originally with the Eyre Regional Development Board and then with the new RDA structure that was introduced across Australia in 2010.

The loss of Mark's intimate knowledge of the region, his entrepreneurship and extensive network of business and community contacts had a notable impact on our organisation, but he left behind a highly experienced team of staff members, who are more than capable to carry on with our regional development mission.

On behalf of the RDAWEP Board I wish Mark every success in his new career and I know that he will continue to make a positive contribution to the long term development of this region.

The Board consequently had to embark on the recruitment of a new CEO and this process was ongoing at the time of preparing this Chairman's report. This will provide an opportunity to review and refine RDAWEP operations and pursue a new direction during 2013-14.

On the positive side the year had many highlights, including the announcement that 3 significant projects in our region were successful in obtaining funding from Rounds 2, 3 and 4 of the Regional Development Australia Fund (RDAF). The Lucky Bay Harbour extension received \$2.2 million from Round 2, the upgrade of the Whyalla Airport terminal received \$300,000 from Round 3, and the development of the Elliston Coastal Trail received \$802,593 from Round 4.

The Lucky Bay Harbour extension will provide an innovative and environmentally designed bulk storage and transhipment system for the export of bulk commodities, with significantly reduced infrastructure costs when compared with a typical deep water port facility.

The harbour extension will support the export of iron ore from IronClad's Wilcherry Hill mine and will enable the export of grain using the same system. The harbour is critical infrastructure for the region's fast developing mining operations that are production ready as, at present, there is no other realistic option for the provision of a bulk commodities export facility within the next few years.

The South Australian Government provided additional support for the project with a grant of \$306,000 from the RDIF before the fund was restructured.

An upgrade of the Whyalla Airport is long overdue and the RDAF funding will go some way to ensuring that the terminal can more effectively cater for increasing passenger numbers and provide the facilities and services the community expects at a major regional gateway. The Elliston Coastal Trail will provide an important tourism facility on the spectacular west coast of Eyre Peninsula; including strategies to enhance and protect the fragile coastal environment and pursue reconciliation with the Wirangu Native Title Claimants.

Another important initiative is that RDAWEP commenced the process to obtain \$1.5 million from the Australian Government Regional Infrastructure Fund for the development of a comprehensive Regional Mining and Infrastructure Plan (RMIP). In 2011, the South Australian Government advisory body for resources and energy, the Resources and Energy Sector Infrastructure Council (RESIC), undertook an infrastructure demand study (IDS) across the State, building on previous studies conducted in 2007 and 2009. However, the IDS was not a comprehensive master plan for mining infrastructure investment in South Australia. The RDA Committees of Whyalla and Eyre Peninsula, Far North and Yorke and Mid North consequently initiated a project in liaison with the State Government to develop a more comprehensive integrated infrastructure master plan for the Upper Spencer Gulf and 3 RDA regions.

The RMIP is being prepared by Deloitte and SMEC and the project report is currently pending. The RMIP recommendations will be critical to future infrastructure investment in roads, rail, ports, power and water, and will position our region to maximise benefits from the emerging mining and resources sector.

RDAWEP further pursued the development of renewable energy initiatives when noted economist, Ross Garnaut, visited sites across the region in January to examine opportunities for establishing pumped hydro power generation systems using either seawater or freshwater. Ross Garnaut is seeking to formalise a partnership with the State Grid Corporation of China, which has established 30 hydro power plants in China and has the engineering expertise to undertake the design and feasibility for the project.

The region has an international reputation as a producer of high quality and diversified seafood product. This reputation has been built on sound environmental management, sustainability, and entrepreneurship, driven by the food brand marketing initiative of *Eyre Peninsula - Australia's Seafood Frontier* to differentiate the region's seafood product as world's best quality.

Due to the success of the regional food brand the initiative has been adopted as the tourism brand for the region as a whole to drive strategic business and tourism development. The brand is presently being used to position the region as a culinary tourism and conference destination. This initiative has been very successful, resulting in 2 direct interstate flights from Melbourne to Port Lincoln in 2012 for *Seafood Lover's Weekends*, inclusive of seafood master classes. More *Seafood Lover's Weekends* occurred during 2013 with direct flights from Melbourne, Sydney, Canberra and Perth.

The region is increasing the market competitiveness of the fishing and aquaculture industry through a range value-adding and development initiatives. A guide on the preparation and cooking of seafood was published during 2012 and the Eyre Peninsula Seafood Flavour Wheel was launched in 2013. The Flavour Wheel is an innovative first for the Australian seafood industry.

The Flavour Wheel provides sensory descriptions for 10 seafood products from the Eyre Peninsula - black and green lip abalone, blue mussels, Southern Bluefin Tuna, southern calamari, Angasi and Pacific oyster, Spencer Gulf prawns, southern rock lobster, snapper, King George Whiting and Yellow Tail Kingfish. The provision of official descriptions - like descriptors that have long been used in the wine industry - enables seafood consumers and sellers to describe the sensory qualities of the seafood product.

These are just a few of the highlights that emphasise the diversity, opportunities and potential of this region. Along with pending mining and industrial developments the region is very well placed to continue with innovative economic development well into the future.

To our 11 Member Councils and the Commonwealth Government I wish to formally acknowledge the Board's appreciation of your ongoing support. The staff and Board Members will continue to work with Member Councils and the Government in achieving tangible outcomes for the region as a whole.

The Board Members of RDAWEP, and in particular the Executive Committee, have extended themselves during the year and I thank you all for providing valuable input and assistance, volunteering your personal time on many occasions during the difficult stages to ensure that the Board continued with business as usual.

In closing I would like to sincerely thank the enthusiastic and committed staff of RDAWEP, who have been the driving force for the successful application of Board policies and priorities. I commend their efforts and look forward to maintaining positive working relationships for the benefit of the entire region.

Jim Pollock  
Chairman

## THE REGION

### Location and Environment

The Regional Development Australia, Whyalla and Eyre Peninsula (RDAWEP) region comprises 232,782 km<sup>2</sup> of land in the far west of South Australia, which is, approximately 24% of the State's total land area.

The region has a coastal and rural environment with approximately one third of South Australia's coastline stretching over 2,000km from the Upper Spencer Gulf to the Western Australian border. The landscape features a rugged and relatively undeveloped coastline, particularly on the western side of Eyre Peninsula. The coastal and marine environment includes marine and conservation parks and encompasses approximately 250 islands ranging in size from about 180 to 40,000m<sup>2</sup>.

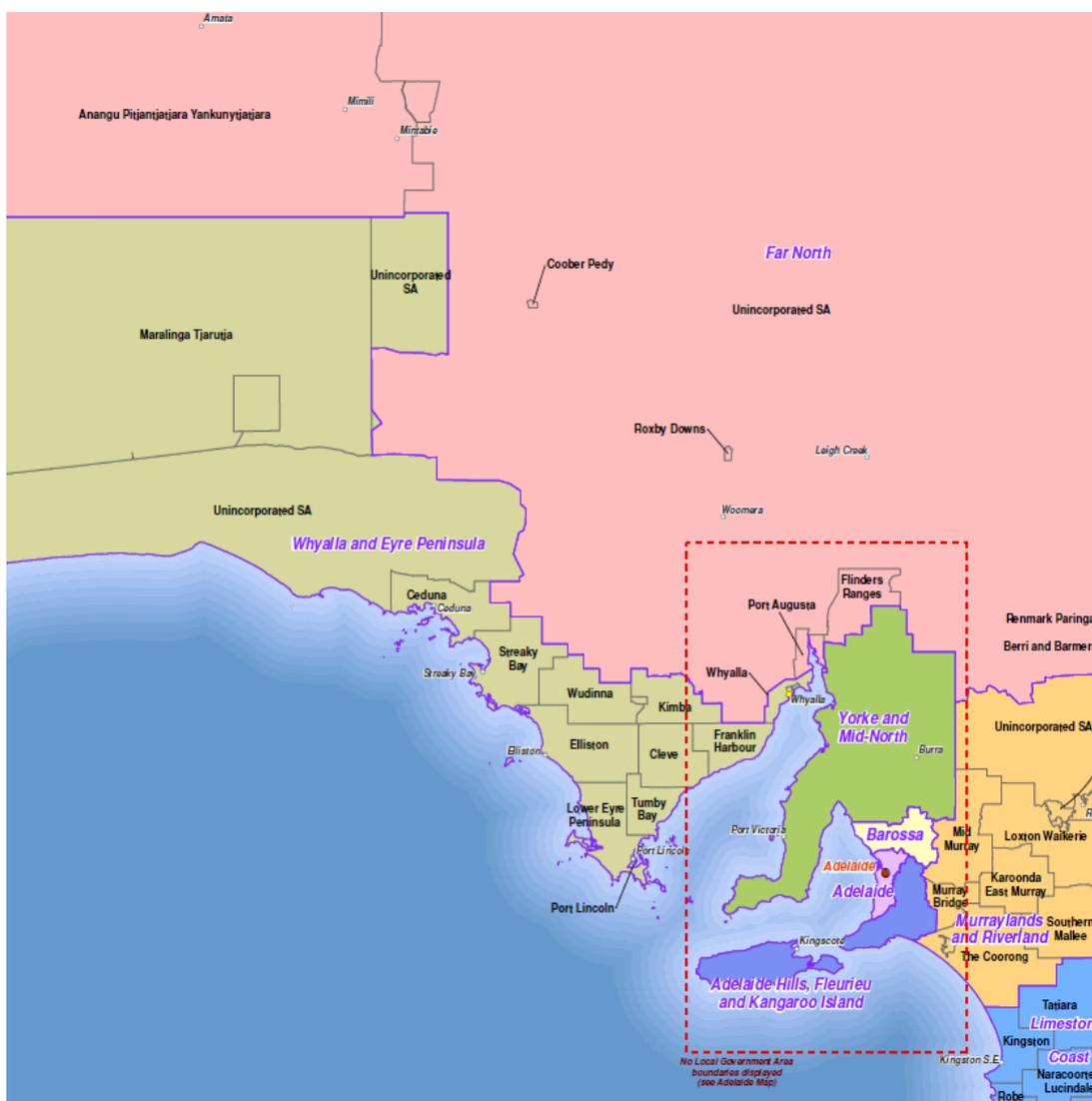


Figure: Context Map, Regional Development Australia, Whyalla and Eyre Peninsula.

The region has a characteristic Mediterranean climate with warm to dry summers and cool, wet winters. Mean annual rainfall varies from 250mm in the north and northwest to more than 500mm in the south. The north west of the region incorporates the Maralinga Tjarutja Aboriginal Lands and abuts the Western Australian border about 300kms north of the Trans Australian Railway Line. This land area includes the ochre and red sand ridges of the Ooldea Range and Great Victoria Desert, which are partially covered in spinifex, sheoaks, mallee and desert oaks. The far western area between the Great Australian Bight and Trans Australian Railway Line includes the fringe of the 'treeless' Nullarbor Plain.

A large proportion of the region has been cleared for agricultural production however significant areas of native vegetation remain. Approximately 7.5 million hectares of land is included in national parks, conservation parks and reserves. Vegetation clearance for agricultural purposes ranges from 14% in the far west to 72% in the south. About 15% of the region's grazing area is covered with scattered vegetation. (Eyre Peninsula Natural Resources Management Board, *State of our Resources, Recognising the State of Natural Resources of the Eyre Peninsula*, 2009).

### Industries and Services Overview

The RDAWEP region is well positioned to facilitate and support a broad range of significant developments. The economy is extremely diverse with world-leading companies in agriculture, manufacturing, fishing and aquaculture, and fast growing mining, tourism and renewable energy industries.

Based on employment, the main industries are primary production (agriculture, fishing and aquaculture), health and social care, manufacturing, retail trade, education and training, and construction. Tourism and mining are the region's fastest emerging industries and have significant potential for future growth.

INDUSTRY	EMPLOYMENT 2001	EMPLOYMENT 2011	% CHANGE
Agriculture, Fishing & Forestry	4,012	3,338	-16.8
Health Care & Social Assistance	2,111	2,996	29.5
Manufacturing	2,786	2,890	3.6
Retail Trade	2,481	2,669	7.0
Education & Training	1,764	1,967	10.3
Construction	1,340	1,813	26.1
Accommodation & Food Services	1,356	1,595	15.0
Transport, Postal & Warehousing	999	1,260	20.7
Public Administration & Safety	1,152	1,172	1.7
Mining	199	957	79.2

Table : RDAWEP Top Ten Industries by Employment, 2011. (ABS Census 2011 from [www.myregion.gov.au](http://www.myregion.gov.au)).

Primary production (agriculture, fishing and aquaculture) is the largest industry employing 3,338 people or 13.1% of the regional workforce. Employment in primary production declined by 16.8% during the last decade (from 4,012 people in 2001 to 3,338 in 2011), largely due to the rationalisation of farming properties, which reduced employment opportunities in the agricultural sector. Primary production nevertheless remains the major industry in the region and is integral to business growth and development in other industry sectors (ABS, *2011 Census*, from [www.myregion.gov.au](http://www.myregion.gov.au))

### Agriculture

The region produces approximately 42% of South Australia's total agriculture production, with a total value exceeding \$500 million per annum. The region is renowned for its high quality premium grains, particularly high protein wheat, malting barley varieties, milling oats and canola. During the 2011 harvest, Eyre Peninsula produced 41% of South Australia's wheat crop, 25% of the barley crop and 32% of the canola crop.

The average annual volume of all grain crops is 2.2 million tonnes, although this peaked to 3.2 million tonnes in 2009. In 2011 the region produced 2.5 million tonnes of grain and, on average, 97% of Eyre Peninsula's grain production is exported. (Australian Bureau of Agricultural and Resource Economics – ABARE – *Crop Report*, June 2012)

Livestock continues to attract high prices and farmer interest in the sheep industry remains stable. The rising value of livestock has rejuvenated interest in the sheep industry and there has been significant reinvestment in meat and wool in recent years.

### *Fishing and Aquaculture*

The commercial fishing and aquaculture industries produce about 80% of South Australia's seafood product and employ over 1,024 people. Tuna farming and oyster growing are the largest employing sectors. The industry is highly trade focused exporting over 80% of seafood produced from the region to markets in New Zealand, Asia, Europe, the Middle East and the USA.

In 2010/11 the region's aquaculture industry accounted for 97% of South Australia's total aquaculture production, valued at \$234.7 million, and employed 87.3% (635) of the State's 727 FTE employment positions in the sector. (EconSearch Pty Ltd, *The Economic Impact of Aquaculture on the South Australian and Regional Economies, 2010/11*, A report for PIRSA Fisheries and Aquaculture, May 2012)

The region is internationally renowned for the production of the highest quality, sashimi grade Southern Bluefin Tuna most of which is exported to Asia – notably Japan. In 2010-11, the tuna farming sector of the aquaculture industry generated \$125 million in direct business turnover, with a flow-on effect to processing and transport of \$11 million and flow-on to other sectors of \$115 million. The direct contribution to gross regional product (GRP) was \$57 million with GRP of \$68 million generated in other sectors of the regional economy. The tuna farms were responsible for the direct employment of 177 FTE and 36 FTE in the processing and transport sector, and indirect employment of a further 519 FTE jobs locally, i.e. a total of 732 FTE positions in the region. (EconSearch, 2012, p.28)

Other important sectors of the region's aquaculture industry include the production of oysters, abalone, mussels and marine finfish, which collectively generated product value of \$77.66 million in 2010-11 and directly employed 444 FTE people in the region. (EconSearch, 2012, pp. viii and 9)

The region has an important sardine fishery, which is critical to the tuna farming sector as approximately 94% of the sardine product caught in South Australian waters is sold for tuna fodder (86% as fresh fodder and 8% frozen), with the remaining 6% sold for human consumption. (Econsearch Report for PIRSA, Economic Indicators for the South Australian Sardine Fishery 2010-11, June 2012, pp. 24-6)

The Eyre Peninsula has a domestic and international reputation for its high quality range of premium seafood. This reputation has been built on sound environmental management, sustainability, and entrepreneurship. In a major marketing initiative in 2010, Eyre Peninsula developed a generic regional food brand under the banner of *Eyre Peninsula - Australia's Seafood Frontier* to differentiate the region's seafood product as world's best quality. (RDAWEP, *Brand Eyre Peninsula 2012-2013 Food Prospectus*, 2012)

### *Health and Social Care*

The health and social care sector is the largest employer in South Australia and the second largest industry in the region. The health and social care industry offers a diverse range of facilities and services in all townships with regional hospitals located in Whyalla, Port Lincoln and Ceduna.

The Ceduna and Whyalla hospitals underwent major redevelopment in 2010 and 2012 (at \$36 million and \$69 million respectively) and the \$40.5 million redevelopment of Port Lincoln Hospital commenced in 2013 after construction was delayed from 2012. (*Port Lincoln Times*, Delays for Lincoln hospital upgrade, Tuesday, May 22 2012, p.3)

8 smaller hospitals at Cummins, Elliston, Streaky Bay, Tumby Bay, Wudinna, Cleve, Cowell and Kimba provide a range of primary health services, including residential aged care.

In 2011 the health and social care sector employed 2,996 people or 11.8% of the regional workforce. This is a fast growing industry with a 29.5% growth in employment from 2,111 people in 2001 to 2,996 in 2011 and business growth of 36.9% since 2007.

Projections indicate that South Australia's population aged 65 and over will increase to 22.6% in 2020 and 25.7% by 2030. (DFEEST, 2012, p.5) The region's health sector is therefore expecting further growth due to a growing demand for aged care services.

### *Manufacturing*

Manufacturing and resource processing is the region's 3rd largest industry employing 2,890 people in 2011 or 11.3% of the regional workforce. The manufacturing sector has experienced modest employment growth of 3.6% since 2001, but numerous future growth opportunities are pending at Whyalla with several new industrial initiatives planned.

Whyalla is the second largest city in regional South Australia and the principal centre for manufacturing, steel production and resource processing in the Upper Spencer Gulf region. Whyalla is strategically located with transport, engineering, business, retail and education sectors directly servicing the demands of mining and mineral processing developments. Whyalla is consequently being positioned as "South Australia's Mining Services Hub". The establishment of new mining operations in the northern areas of South Australia has potential to further develop Whyalla as the key manufacturing centre of the region.

In recent years steel making at Whyalla by Arrium has increased significantly from 460 thousand tonnes to over 8 million tonnes per annum in 2013. This growth led to a significant expansion of Arrium's Whyalla Port to increase its export capacity for Cape class vessels. (*Whyalla News*, Cape vessel milestone as first ship heads through Arrium's new port, Tuesday, February 12, 2013, p.2)

Several new industrial developments are pending at Whyalla - see **Upper Spencer Gulf Place-based Strategy**.

### *Retail Trade*

The retail trade sector is an integral part of all townships across the region and has the highest concentration in Whyalla and Port Lincoln. Collectively, the retail sector is the region's fourth largest industry employing 2,669 people in 2011 or 10.5% of the regional workforce. The retail sector has experienced steady employment growth of 7.0% since 2001. The growth and sustainability of the retail sector is largely reliant on the success of the region's other industries, particularly primary production, manufacturing, mining and tourism, and many retail businesses have been established to directly service these sectors.

The retail sector received a significant boost with the opening of a third major supermarket (Foodland) in Port Lincoln during 2012 and the commencement of a \$22 million upgrade of Westland Shopping Centre at Whyalla in May 2013. (*Whyalla News*, Upgrade Work Begins, Tuesday, May 28, 2013, p.1)

### *Mining*

The region's mining sector is small in comparison with other industries. In 2011 mining employed 957 people or 3.8% of the regional workforce. However mining is having an economic impact and is the fastest growing regional industry with a significant 79.2% growth in employment during 2001-2011. This growth is the result of unprecedented mining exploration activity in the lower Eyre Peninsula, with large resources of iron ore, coal and graphite along with uranium, gold and kaolin prospects.

Eyre Peninsula is located in the mineral provinces of the Gawler Craton and Eucla Basin, which are rapidly becoming one of Australia's most promising mineral frontiers. The region has the largest deposit of gypsum in the Southern Hemisphere, significant iron ore resources and an emerging world class heavy mineral sands province.

The impact of mining will increase significantly in forthcoming years as new enterprises in iron ore, mineral sands, kaolin, graphite and uranium move from exploration to operation. At present the region has 5 operational mines and a further 22 mining projects under exploration or awaiting approval – refer **Mining Services Industry Development**.

### *Tourism*

Tourism is a fast growing industry and has significant development potential due to the region's rapidly growing reputation for unique and diverse nature based visitor experiences and premium seafood products. Tourism is becoming an important sector for the regional economy, with visitor expenditure exceeding \$277 million in 2011-2012 from 700 businesses. (SATC, Regional Tourism Profile for Eyre Peninsula 2011-2012. Also see, Whyalla News, Tourism Finally Recognised, Thursday, June 27, 2013, p.3)

In 2012, with the exclusion of the Adelaide Tourism Region, the Eyre Peninsula was the 4<sup>th</sup> most popular tourism region in South Australia with 390,000 visitors and the 3<sup>rd</sup> highest region for visitor nights (1,593,000). Over the period from June 2010-June 2012, the annual visitation in the Eyre Peninsula Tourism Region averaged 326,000 domestic visitors (intra and interstate) and 14,000 international visitors. The collective visitation generated an average of 1,647,000 visitor nights per annum, with international visitors staying an average of 12.1 nights in the region.

Due to the success of the regional food brand *Eyre Peninsula – Australia's Seafood Frontier*, the initiative has been adopted as the tourism brand for the region as a whole to drive strategic business and tourism development. The brand is currently being used to position the region as a culinary tourism and conference destination. (RDAWEP, *Brand Eyre Peninsula 2012-2013 Tourism Prospectus*, 2012)

### *Renewable Energy*

Renewable energy has the potential to become a major industry in the region due to natural assets of consistent wind resources, abundant sunshine and high wave action. The region has an estimated 300 cloud free days per annum, making it an ideal location for large scale solar energy farms. The Eyre Peninsula also has a landscape suitable for large scale wind farms and has been identified as offering extensive opportunities for wind generation with 4 wind zones experiencing wind speeds above 8 metres per second and potential to produce more than 10,000MW of generation. (Macquarie, Worley Parsons and Baker & McKenzie, *Green Grid, Unlocking Renewable Energy Resources in South Australia*, 2012 p.1)

2 wind farms exist at Cathedral Rocks near Port Lincoln and Mt Millar near Cowell which supplement the power transmission network on the lower Eyre Peninsula. Several other innovative renewable energy projects are in the process of being progressed – refer **Major Project Facilitation** and **Upper Spencer Gulf Place-based Strategy**.

## BOARD MEMBERS

Jim Pollock	Chairman
Angela Faulkner	Deputy Chairman
Deidre Turvey	Treasurer
Jack Velthuizen	Executive Member
Allan Suter	Executive Member
Malcolm Catt	Executive Member
Sarah Adamson	
Bryan Trigg	
Eduardo Donoso	
Annette Kirby	
Clare McLaughlin	
Colin Carter	
Sid Wilson	
Annie Lane	

## STAFF MEMBERS

Mark Cant	Chief Executive Officer
Amanda Bridge	Economic Development Manager – Eyre
Alex Todd	Economic Development Manager - Whyalla
Charmaine Triffitt	Business Development Adviser – Eyre
Heidi Freeman	Business Development Adviser – Whyalla
Peter Mitchell	Employment and Skills Development Manager – Eyre
Tim Coote	Employment and Skills Development Manager – Whyalla
Howard Coote	Indigenous Economic Development Officer – Eyre
Stacey Fallon	Food Industry Development Officer (0.4 FTE)
Brad Riddle	Tourism Development Manager
Paula Wilson	Career Development Officer
Bob Ramsay	Special Projects Manager
Aina Danis	Executive Assistant/Officer Manager – Eyre
Vera Knezevic-Schell	Finance Officer – Eyre
Tamara Humenick	Administration Officer – Eyre
Sue Henriksen	Administration Officer - Eyre
Emma Pearson	Finance Administrator
Tamara Clark	Executive Assistant/Office Manager – Whyalla
Ruth Brown	Executive Assistant Office Manager – Whyalla
Sandy Jones	Administration Officer – Whyalla
Angela Brougham	Regional Coordinator, SA Works (employed by DFEEST)
Shaun Thomas	Education Skills & Jobs Coordinator (employed by DEEWR)
Ivan Phillips	Aboriginal Participation Broker (employed by DFEEST)
Andrea Broadfoot	Local Employment Coordinator (employed by DEEWR)

## VISION and REGIONAL PRIORITIES

### Regional Vision

The RDAWEP Board's long-term vision for the region is:

*An innovative, internationally competitive regional economy that is ecologically sustainable and a great place to live.*

The RDAWEP region is well positioned to facilitate and support a broad range of significant developments. The economy is extremely diverse with world-leading companies in agriculture, manufacturing, aquaculture, fishing, tourism and a fast emerging mining and renewable energy sector. Increasing the region's capacity to create new knowledge and find new ways of doing business is pivotal to building a sustainable economy. Encouraging the development of innovative technology, cutting edge research, value-added products and more efficient processing and supply systems are key strategies that will strengthen the regional economy well into the 21<sup>st</sup> century.

The process for achieving this vision requires finding the correct balance between economic and business development on the one hand and environmental and community development on the other. There is no point in creating new industries and jobs to encourage economic growth if the natural attributes and liveability of the region deteriorate in the process.

The RDAWEP mission is:

*To develop a globally competitive economy and liveable communities through fostering environmentally and socially sustainable business and industry development.*

The Board has identified regional priorities that need to be pursued to achieve the vision and mission. There is a wealth of potential projects and initiatives that could be implemented during this pursuit, but the options are not always complementary. At times the Board may need to make difficult decisions about meritorious but competing projects to ensure that the regional vision and mission can be achieved.

The opportunity to encourage mining development on the lower Eyre Peninsula while safeguarding food production, water aquifers and rural liveability is a paradigm example in this respect. The opportunity to develop industry and bulk export facilities at Port Bonython while preserving the natural assets and recreational amenity of Point Lowly is another.

The following issues stand out as being critical to the long term sustainable development of the region.

- ▶ **Water Security:** A long term, sustainable water supply must be found for community and industry use. The existing supply drawn from ground water basins with top-up reliance from the River Murray is sufficient for the region's immediate needs, but is not sustainable in the longer term. The *Eyre Peninsula Demand and Supply Statement* has identified that the demand for potable water is expected to exceed supply within 7 years.

Given the limited and variable resources of the River Murray, it is inappropriate that Whyalla's mains water supply is drawn from this source and that a slurry of Murray River and aquifer water is being provided as far away as Ceduna. With 2,000km of coastline around the region, desalination may be the only option for a long term sustainable water supply. Water is critical to the region's future growth and prosperity and a better supply option needs to be sourced.

- › **Business Development:** The diversity of the economic base is one of the region's great strengths. The regional economy has strong potential to become sustainable because it is not reliant on a single industry or product sector. This gives the region inbuilt resilience to overcome the challenges of external economic impacts and climate change. The operational and development needs of each business sector must be addressed to strengthen the regional economy and increase competitiveness. New development opportunities also need to be fostered to further diversify the business sector.
- › **Infrastructure Provision:** The region's economic development opportunities will not be realised without the necessary support infrastructure. Business growth opportunities such as the progression of mining enterprises from exploration to operation, new industrial developments in Whyalla and renewable energy initiatives, will not materialise unless the essential supportive infrastructure is in place. The provision of a sustainable water supply, an upgrade of the electrical transmission system, connection to the standard gauge rail network, construction of bulk commodities export facilities, increased gas supply to Whyalla and strategic road improvements are needed to secure the future prosperity of the region.
- › **Workforce Development:** The regional population is not large enough to provide the workforce for predicted business growth. Even if the entire region's unemployed and underemployed were sufficiently up-skilled to gain employment there would be a notable shortfall in the labour demand. A regional workforce must therefore be recruited from elsewhere however there is a strong competitive demand across Australia for skilled and experienced labour.

A fly-in-fly-out (FIFO) option is not the preferred solution for this region. In spite of what is being espoused by the mining industry, experience in the Pilbara and Queensland indicates quite clearly that FIFO workforces have a negative impact on the economy and liveability of regional communities. Some of the region's mining companies support this view and are giving employment priority to people who either live in or are willing to relocate their families to the region. This needs to be supported by way of a proactive marketing strategy to promote the benefits of living in the region.

- › **Liveability Enhancement:** The workforce development strategy will only succeed if the region can deliver on its promises. Attracting a workforce to the region is one thing however retaining it is another. A concerted effort therefore needs to be made to ensure that the region's towns and communities have the infrastructure, services and amenity to support the liveability of workforce families. A collective planning approach by the 3 levels of Government, which is supported, endorsed and embraced by our regional communities, will be necessary to ensure that a workforce is developed and retained in the region.

This development framework is substantive and it will take many years for the regional vision to be fully achieved.

Some of the priority projects can be realised within the next 1-3 years, but others will take much longer because they rely on the cooperation and resources of different Government and community stakeholders. The implementation of major infrastructure and capital development initiatives requires significant funding investment by the Government and private sector, and the progress of these projects will ultimately be subject to their competing priorities and resource constraints.

### Regional Priorities

RDWEP has identified the following priorities as key issues that need to be pursued to achieve the long term vision for the region.

***Build the capacity of the region's communities to foster a cohesive and diverse culture, strong civic leadership and high quality of family life.***

The liveability, lifestyle and vibrancy of the region's communities are some of its greatest assets. Communities are passionate about the region as a place to live and desire to be actively involved in the determination of its future development. There is a need to ensure that every opportunity is offered for people to participate in key decision making processes, particularly decisions that might impact natural resources, recreational spaces and the economy and liveability of regional towns.

***Facilitate and support growing and diverse enterprises to increase economic activity.***

The diversity of the economic base is one of the region's great strengths. The regional economy has strong potential to become sustainable because it is not reliant on a single industry or product sector. This gives the region inbuilt resilience to overcome the challenges of external impacts, such as global economic crises; fluctuating iron ore, wool and grain prices; variation in the value of the Australian dollar; changing Government policy; and the impact of climate change.

***Foster innovative, globally competitive businesses in the region.***

The pursuit of ground-breaking renewable energy initiatives and strengthening the international reputation of the region's clean and green food product and unique tourism experiences will value-add to the resilience and diversity of the regional economy.

***Promote business investment in the region.***

Private sector investment is critical to infrastructure and housing development in the region. The proposed RDAWEP Regional Prospectus will showcase the region's assets and promote opportunities to encourage business investment.

***Optimise international trade.***

The upgrade of Thevenard Port and proposed development of bulk commodities export infrastructure with Cape class vessel capability will increase the region's export capacity and deliver economy of scale benefits to users.

***Increase our regional population.***

The region is disadvantaged by having a small and sparse population and therefore lacks economies of scale, which are necessary for long term sustainable business development. The region also lacks the large population base to enable effective lobbying for Government investment in major development projects. This is particularly important in the South Australian context where major development can often be focussed in metropolitan Adelaide at the expense of the regions.

***Attract and retain a highly skilled workforce to meet existing and future needs of the region.***

Pending developments in the resources and industrial sectors require the provision of a suitably skilled workforce. Predicted population growth and the up-skilling of the region's unemployed and underemployed will leave a significant workforce shortfall that will need to be filled by attracting skilled labour from elsewhere. A FIFO workforce solution is not desirable because it will not value-add to the economy or liveability of the region. Proactive workforce attraction strategies need to be implemented to encourage workers to relocate their families to the region.

*Promote flexible access to education and skills training programs and facilities to strengthen the regional workforce.*

The geographic size of the region is a deterrent to accessing on-campus education for some people in the community and in particular owners, managers and staff in the business sector. The provision of more on-line and flexible training programs will overcome inhibiting travel time, cost constraints and make education and workforce training programs more accessible.

*Attract investment for strategic infrastructure such as transport, ports, airports, rail, water and energy to support the long-term growth of the region.*

The development of the region is constrained by the limitations of existing infrastructure. Many growth opportunities will not be realised unless the essential supportive infrastructure is in place. This requires significant financial investment by the Government and private sector.

*Facilitate the recognition and preservation of community amenity assets for present and future generations.*

The preservation and development of community infrastructure and places of community cultural and recreational significance is important for maintaining the amenity and liveability of the region. Liveability considerations, including environmental and climate change adaption initiatives, need to be taken into account when making economic, employment and industrial development decisions.

*Strengthen and promote the status of RDAWEP as the lead agency for driving sustainable economic and community development in the region.*

Too many stakeholders and people in the region are still largely unaware of the role of RDAWEP. The Board's many achievements such as assistance provided to access Australian and State Government funding through the preparation of business cases and grant application support have been very much undersold in the past. This is largely the result of RDAWEP staff being too preoccupied with the planning and delivery of projects to spend time marketing RDAWEP's achievements. The Board has consequently recognised the need to proactively market its role and achievements and will do so via a targeted media strategy and focussed presentations to Local Government.

## CHIEF EXECUTIVE OFFICER'S REPORT

The 2012-2013 year has been both a challenging and rewarding one for the Whyalla and Eyre Peninsula region and for the Regional Development Australia Whyalla and Eyre Peninsula organisation.

From an economic perspective, recovery from the Global Financial Crisis has continued and generally assisted a positive environment for the region's key industries. Easing of the value of the Australian dollar combined with low and relatively stable interest rates through the year have made many of the regions industries and exports more competitive. However, uncertainty in global financial markets, many commodity markets, and Australian Government policy also had an impact on business confidence, investment and economic activity across the region.

Opportunities in the region remain substantial and exciting. The South Australian major projects directory identifies 26 major projects with approximately \$8.7 Billion investment in the region which are in progress or in planning for delivery within the next 5 years. There are an additional 10 projects representing \$2.8 Billion of investment at an earlier planning phase, which are yet to be listed within this directory. This provides a total of \$11.5 Billion potential new investment in a diverse range of projects from mining infrastructure to fuel distribution terminals to airport and hospital upgrades.

These projects will require around 7,000 construction staff, they will provide 1,500 direct full time operational jobs and around 4,500 indirect jobs in the region to support them and underpin a bright economic future for many years.

These projects also require significant investment, infrastructure and long term effort on a range of fronts to create the right environment so that they can proceed. The RDAWEP Staff and Board continue significant and sustained effort to develop; the economic and community infrastructure, the capability of local businesses to service and support industry growth and the skilled workforces required to facilitate projects and attract investment to the region.

Mining and mining service industry growth in the region has continued throughout the year, driven by multiple large Iron ore export projects within and adjacent to the region. Tourism and health services are also growing in size and importance for the region. Food and seafood remain as key industry sectors with renewable energy and associated services showing great future potential.

The region's economy was impacted negatively by announcements during the year that several major projects which had been expected to bring substantial economic benefits for the region, had been deferred, re-located or indefinitely postponed.

The State Government also advised that they were changing funding arrangements and would not extend core operational funding to the RDA Boards beyond June. This reduction in funding takes effect from 1 July 2013 and if alternate funding sources cannot be found a reduction of important services and initiatives may result. However, the State Government also remain a key partner and significant RDAWEP initiated Economic Development, Tourism, Seafood, Skills and Employment projects have been supported.

Local and Commonwealth Government remain as key funding partners and stakeholders. A new 3 year funding agreement was established with the Commonwealth Government while a new 3 year funding and service agreement is close to finalisation with the region's 11 Councils.

The many highlights for the year include; success in establishing and operating the Whyalla Target Team, which is comprised of Industry and Community representatives; success in funding applications for multiple projects through the Regional Development Australia Fund; and success in funding applications for multiple commercial business ventures and other projects in the region.

Stakeholder engagement during 2012-2013 has been extensive with RDAWEP either conducting or participating in more than 250 consultations with 92 different groups through its Target Teams, Industry and Community networks.

During September 2012, a Memorandum of Understanding (MOU) for a place-based economic development strategy for the Upper Spencer Gulf was signed by the 3 levels of Government. The principle underlying a place-based approach is that regions need to proactively analyse their own economic conditions, determine solutions to suit local conditions and then communicate these to Government so that implementation can be assisted.

The MOU outlined the development of coordinated, strategic and cooperative arrangements between RDA's, Local, State and Federal Government agencies to assist the economy of the USG region, which has been identified as a region in transition. An Upper Spencer Gulf Working group consisting of high-level officers of these organisations was also established as the key body to support implementation. This approach offers great potential as a method to enhance regional economic development by ensuring strong lines of communication between all levels of Government and we hope this strategy and important work will be ongoing.

In conclusion to a significant year of achievement for the Board, I would like to acknowledge and thank the staff of RDAWEP for their commitment, dedication, professionalism and hard work during a year when the organisation faced a number of challenges. Thanks also to our Board Members who invest so much of their time and effort into our organisation and region. A final note of thanks to former longstanding regional development Chief Executive Officer, Mark Cant, who resigned during the year. His passion and commitment to development of the region will be greatly missed and we wish him well in his new endeavours.

Alex Todd  
**Chief Executive Officer (Acting)**

## HIGHLIGHTS OF THE YEAR



### The Spirit of Eyre

*resilient, resourceful people building  
strong, vibrant and unique communities*

## KEY PERFORMANCE INDICATORS/TARGETS - 2012/2013

SECTOR	KPI's	TARGETS - 2012-13	ACTUALS
<b>Investment</b>	› Total number of businesses assisted.	› 10 businesses	› 65
	› Total value of investment of businesses assisted.	› \$1.5 million	› \$3,332,170
	› Number of Aboriginal Businesses assisted.	› 4 Aboriginal businesses	› 26
	› Total value of investment Aboriginal Business.	› \$100,000	› \$459,000
	› Number of businesses assisted in major projects.	› 6 businesses assisted	› 8
	› Total value of local investment secured.	› \$3 million investment or proposed investment	› \$10,700,000
<b>Employment</b>	› Number of jobs (FTE's) created in businesses assisted.	› 167 employment outcomes	› 71 (YTD calendar year)
	› Number of participants involved in further education to improve employability.	› 180 pathway outcomes	› 74 (YTD calendar year)
<b>Infrastructure</b>	› Number of major projects assisted.	› 6 projects assisted	› 28
	› Value of economic infrastructure development projects assisted.	› \$10 million investment or proposed investment	\$3,250,000
<b>Innovation</b>	› Number of businesses assisted to bring new products to market.	› 4 new products	› 22
	› Number of businesses assisted to introduce processes that boost productivity and competitiveness.	› 10 businesses assisted	› 18
<b>Exports</b>	› Number of exporters assisted and value of their export.		› 35
	› Value of export sales.		\$250,000
<b>Regional Leadership</b>	› Identification of barriers to growth in the Region and mitigation Strategies. › Demonstration of leadership provided by the Association in the community in building the capacity of the region. › Effective working relationships and collaboration with DTED, the Councils and Government agencies. › Provision of regional intelligence to the Minister's Representative, the Commonwealth of Australia and the Councils on significant community economic development issues and opportunities in the region.	› 10 regional leadership activities	› 280 activities

SECTOR	KPI's	TARGETS 2012-13	ACTUALS
<b>Skills</b>	<ul style="list-style-type: none"> <li>› Identification of emerging labour skills.</li> <li>› Programs developed with Government, the Commonwealth of Australia, Councils and industry to meet workforce demands and to increase the participation of apprentices, trainees, Aboriginal people and others facing barriers to employment.</li> </ul>	<ul style="list-style-type: none"> <li>› 5 labour skills issues identified</li> <li>› 4 programs established</li> </ul>	<ul style="list-style-type: none"> <li>› 7 labour skills issues</li> <li>› 24 programs established</li> </ul>
<b>Business Capability Development</b>	<ul style="list-style-type: none"> <li>› Number of business workshops facilitated.</li> <li>› Number of participating businesses.</li> <li>› Number of business assisted.</li> </ul>	<ul style="list-style-type: none"> <li>› 10 business workshops</li> <li>› 250 businesses</li> <li>› 300 business assisted</li> </ul>	<ul style="list-style-type: none"> <li>› 64</li> <li>› 977</li> <li>› 333</li> </ul>

## KEY PERFORMANCE INDICATORS SUMMARY

### CORE FUNDING PARTNERSHIPS AND KEY STAKEHOLDERS

Regional Development Australia – Whyalla and Eyre Peninsula (RDAWEP) joined the Australia network of 55 Regional Development Australia Boards, following the signing of the Commonwealth operational funding contract in December 2009. A new 3 year agreement with the Commonwealth was executed in June 2013. This agreement outlines the 5 key objectives that are to be achieved by the Board:

- › Improved community and economic development.
- › Improved community engagement and consultation.
- › Improved regional planning.
- › Enhanced whole of Government approach.
- › Promotion of Government programs.

RDAWEP also reached an agreement with the 11 Member Local Government authorities of the region, which outlines the delivery of the following key objectives:

- › Investment attraction.
- › Infrastructure development.
- › Business advisory services.
- › Regional planning.
- › Skills and employment assistance.
- › Community leadership.

RDAWEP has sought to ensure that the main focus of operations continues to be on the issues and challenges that the region presently faces, and the opportunities for the region to develop new industries in mining and renewable energy as they evolve.

The main challenge for the Board is to obtain recognition within all levels of Government that the region has an exciting future, and that support is vital to fill the critical gaps in the region's key infrastructure that will allow the diversification of the region's economy.

The Board has again developed a Regional Profile, which is a comprehensive document outlining the region's attributes, industry and employment base. The document has been designed to address the economic, social and environmental issues within the region and identify the priorities for strategic investment.

The South Australian regional development model was unique being the only State to have all levels of Government [Local, State and Federal] incorporated in the partnership.

- › The Federal Government through the Department of Infrastructure, Transport, Regional Development and Local Government.
- › The State Government through the Department of Manufacturing, Innovation, Trade, Resources and Energy and Department of Primary Industries and Regions.
- › Local Government through an agreement with 11 Member Councils, comprising of the City of Whyalla, City of Port Lincoln and the District Councils of Cleve, Ceduna, Franklin Harbour, Elliston, Kimba, Lower Eyre Peninsula, Streaky Bay, Tumby Bay and Wudinna.

The role of the RDA network is to enhance the economic growth and strengthen regional communities across Australia. The Commonwealth Government is committed to the framework, which replaced the previous Area Consultative Committees nationally.

The Board's key focus is on building effective partnerships between Government, regional development agencies, industry and private sectors in addressing the strategic economic issues and priorities within the region as part of driving economic, community development initiatives in addition to facilitating community leadership. Key activities include the following.

Support and coordinate regional planning by:

- › Consulting and engaging with the community on economic, social and environmental issues, solutions and priorities.
- › Liaison and consultation with Government and local communities about Government programs, services, grants and initiatives for regional development.
- › Contributing to business and industry growth plans that drive strategic investment and employment within the region.
- › Supporting and developing strategies on environmental and social inclusion within the region.

RDAWEP will continue to provide service delivery functions including:

- › Small business advisory service.
- › Industry development.
- › Indigenous initiatives.
- › Food industry development.
- › Skills for All in Regions program delivery.
- › Career Development Centres.
- › Export.

As an incorporated association RDAWEP continues to effectively serve the Whyalla and Eyre Peninsula region, creating opportunities for its industries and business and ensuring that maximum benefit is derived to sustain the economic future of the region.

## STATISTICS

### Regional Services:

Services	Partner	Investment
Small Business Advisory Services	Department for Primary Industries and Regions	\$147,083
Food Industry Development	Food SA	\$80,000
Tourism Industry Development	EPLGA Member Councils, South Australian Tourism Commission, Tourism Eyre Peninsula.	\$88,700
South Australia Works in the Regions - Operational Support	Department of Further Education, Employment, Science and Technology	\$180,000
South Australia Works in the Regions - Program Funds	Department of Further Education, Employment, Science and Technology	\$530,610
Indigenous Economic Development	Department of Employment & Workplace Relations	\$141,697
<b>Total</b>		<b>\$1,168,090</b>

**Funding sourced for the region from various Government programs assisted:**

<b>Program</b>	<b>Partner</b>	<b>Amount</b>
Eyre Peninsula Small Business Development Program	AusIndustry	\$200,000
Indigenous Civil	Department of Employment & Workplace Relations	\$418,000
Indigenous Transport	Department of Families, Housing, Community Service and Indigenous Affairs	\$350,000
Regional Local Employment Coordinator	Department of Employment & Workplace Relations	\$232,730
Oyster Basket Waste Project	Department for Manufacturing, Innovation, Trade, Resources and Energy	\$40,000
Regional Mining Infrastructure Plan	Department of Planning, Transport and Infrastructure	\$20,000
Regional Business Online Program	Department for Manufacturing, Innovation, Trade, Resources and Energy	\$30,000
Heavy Industry Training Program	Department of Employment & Workplace Relations	\$39,090
Training Places - Aged Care	Department of Further Education, Employment, Science and Technology	\$66,600
Jobs & Skills Expo - Whyalla	Department of Further Education, Employment, Science and Technology	\$3,250
<b>TOTAL</b>		<b>\$1,399,670</b>

A further \$1.35 million grant funding for projects valued at \$2.9 million was secured for stakeholder initiatives by RDAWEP staff, including 2 successful Commercialisation Australia grant applications and the Elliston Coastal Trail application.

## KEY ACHIEVEMENTS



*cultivating an innovative, internationally competitive, growing regional economy*

## ACTIVITIES AND ACTIONS REPORT ON 2012/13

Regional Development Australia – Whyalla and Eyre Peninsula (RDAWEP) aims to be the region’s key economic and regional development agency, with shop fronts located in the key regional centres of Port Lincoln and Whyalla.

The “one stop shop” is designed to provide an environment for industry, businesses and the community to access a range of economic and employment development initiatives. These services and program delivery include:

- › Investment.
- › Infrastructure Planning and Facilitation.
- › Business Advisory Services.
- › Business Management, Training and Mentoring.
- › Industry Development.
- › Indigenous Economic Development.
- › Employment and Skill Program Delivery.
- › Career Development Centre.
- › Community Development.

### Investment

The Board provides a key facilitation and planning role in the development of major infrastructure that focuses on the future requirements of the region. The Board has the opportunity to bring together both private and public investment to ensure the region maximises the investment strategically. The key issues that the Board is focussed on include both service and hard infrastructure, such as:

- › water;
- › electricity;
- › high speed broadband;
- › educational and research institutions;
- › ports;
- › road and rail;
- › airports;
- › tourism infrastructure;
- › commercial fishing harbours - loading and unloading wharves;
- › natural gas; and
- › industrial land.

The growth of the region is dependent on the Board’s capability to deliver on addressing many of the infrastructure gaps that are restricting the growth of some of the region’s existing and new industries such as renewable energy and mining. High voltage transmission infrastructure access and the expansion and development of new export port facilities are 2 key issues that need to be addressed.

The region has the opportunity to attract significant investment estimated in the billions and provide substantial employment growth. This is reliant on the region’s ability to address key issues of new water supply, distribution of electricity and port shipping capacity for the mining industry.

### Major Project Facilitation

Throughout the year RDAWEP has worked with numerous private sector companies from resource processing, renewable energy and other sectors to facilitate major project developments. RDAWEP staff continue to work closely with private sector proponents on issues such as land access, infrastructure availability, workforce needs, infrastructure requirements, local planning and community issues. Much of this facilitation is undertaken through the auspices of the RDAWEP Target Teams and the Regional Consultation Network.

RDAWEP staff provide direct project assistance with grant application advice and the preparation of business cases in some instances. Staff also ensure that major project developments are showcased and described in the RDAWEP Business, Strategic and Regional Plans to enable stakeholders across the region to be fully informed about the opportunities and benefits that might emerge from these developments.

The South Australian Major Projects Directory identifies 26 major projects in the region that are either in progress or being planned for delivery in the next 5 years. These projects involve investment of approximately \$8.7 billion. In addition, there are another 10 projects with a value of \$2.8 billion at an earlier planning stage, which have yet to be included in the directory.

This brings the potential investment in the region to \$11.5 billion in a range of new projects including mining, fuel distribution, airports and hospital upgrades. These projects are expected to create about 7,000 jobs during construction, provide 1,500 direct full time operational jobs and generate approximately 4,500 indirect jobs in industries providing aligned support services.

Impact modelling of the mining sector alone has identified that mining would add an estimated \$1.9 billion to the Gross Regional Product (GRP) in the first 8 years, with an ongoing contribution of more than \$500 million per annum thereafter.

Major projects facilitated by RDAWEP during 2012-13 include:

#### *Port Lincoln Airport Development*

Port Lincoln Airport has recently undergone a major redevelopment costing \$13.2 million. The project included the construction of a new terminal building with facilities befitting a regional gateway (inclusive of security screening), provision of a new taxiway and apron, reconfiguration of the airport entrance road, landscaping and provision of a larger car parking area and associated improvements to lighting and electrical infrastructure.

The Port Lincoln Airport redevelopment was able to proceed due to income derived from increased passenger use and the District Council of Lower Eyre Peninsula, with assistance from RDAWEP, was successful in securing grant funding of \$4.5 million from Round 1 of the Australian Government RDAF; \$1.02 million from the State Government RDIF; \$350,000 from the SA Tourism Commission; and \$1 million from the Australian Government for the installation of security equipment.

The airport redevelopment was the highest priority Board project in 2011-12 and RDAWEP prepared the business case for the development of the project.

Construction commenced in May 2012 and was substantially completed by 30 June 2013.

#### *Lucky Bay Harbour Development*

An alternative port solution, a Common User Export Facility (CUEF) is being developed at Lucky Bay using an innovative transshipment system to export iron ore to market. The facility is being developed to support IronClad Mining Limited's mine operation at Wilcherry Hill, north of Kimba.

RDAWEP assisted the District Council of Franklin Harbour and Sea Transport Development to obtain Government funding for the extension and upgrade of Lucky Bay harbour. In July 2012 the project received \$2.212 million from Round 2 of the RDAF and \$306,000 from the State Government RDIF.

The State Government provided development approval for the project in April 2011. At present development approval is pending for the inclusion of a bulk buffer storage facility and construction will commence as soon as endorsement has been granted. It is anticipated that the project will become operational in late 2014.

### *Elliston Coastal Trail*

Further major project funding was secured in 2013 when the District Council of Elliston received \$802,593 from Round 4 of the RDAF for the development of the Elliston Coastal Trail. This initiative will provide an important tourism facility on the spectacular west coast of the Eyre Peninsula, including strategies to enhance and protect the fragile coastal environment and pursue reconciliation with Wirangu Native Title Claimants. The project involves strategies to manage the environmental impact of visitors from indiscriminate pedestrian and vehicle movement and improve the safety of trail users. The design and construction of Reconciliation Sculpture by Wirangu people will value add to the existing 'Sculptures on the Cliffs' trail at Elliston and provide a major focus for an Aboriginal Tourism Trail that has been developed along the Eyre Peninsula coast.

RDAWEP provided substantial assistance to this project through the preparation of a business case outlining the merits of the project and community and economic benefits that will be derived.

### *Cuttlefish Interpretive Centre*

The proposed establishment of a world class interpretive facility at Whyalla – with the working title of 'Cuttlefish Interpretive Centre' (CIC) – has progressed through design development and a feasibility study is presently being prepared. This project is a joint initiative of RDAWEP and the City of Whyalla.

Grant applications have been lodged for the appointment of a consultant to investigate interpretive options for the CIC and the upgrade of interpretive displays at the Whyalla Maritime Museum. The aim of the consultancy, called *Interpreting Whyalla*, is to recommend and cost world best interpretive display options including the use of the latest state-of-the-art interactive technologies. The recommendations are to be based on case studies of world best practice interpretive centres, for the purpose of attracting the growing Asian tourism market and a younger 'techno-savvy' audience.

The desired outcome is to position Whyalla as a regional tourism gateway and increase the city's share of international tourists to the RDAWEP region.

### *Thevenard Port Upgrade*

Thevenard is a major multi-commodity port on the far west coast of Eyre Peninsula and export tonnages have increased significantly in recent years from 1,778,421 tonnes in 2003 to 3,000,528 tonnes in 2011. Export demand is expected to further increase when new mineral sands mines in the far west of the region commence operation.

At present Thevenard Port has a number of operational inefficiencies and significant upgrade works are required to increase export capacity and bring economies of scale benefits to users. The required upgrade works include deepening the Yalata Channel (from 8.2 metres to 10.7 metres), increasing vessel capacity from 25,000 tonnes to 45,000 tonnes, and upgrading or replacing the ship loader with a system capable of operating at 1,500-2,000 tonnes per hour. These improvements will secure Thevenard as the preferred export facility for mineral production in the far west of the region and enhance the export competitiveness of the region as a whole.

RDAWEP initiated the planning for the upgrade of the port facility and is presently pursuing infrastructure options with the agriculture and mining sectors.

### *Port Lincoln Wharf*

The Board has been integral in contributing to the Port Lincoln Wharf Relocation Committee, which was established by the Lukin family development company Port Lincoln Proper. The committee includes representatives from the fishing industry, the developers, Board staff and Local Government. The committee is undertaking preliminary consultation for the development of a fishing industry unloading and berthing facility at the former BHP wharf in Proper Bay. This development is necessary to overcome existing inefficiencies experienced by fishing industry use at the Port Lincoln wharf.

The Lukin development at Proper Bay is part of a larger initiative to develop adjacent land as an industrial park inclusive of residential and tourism development, a shopping precinct and golf course. The Port Lincoln fishing industry has provided input into the design requirements of the fishing industry wharf and design concepts for the development are presently being prepared. The fishing industry will be extensively consulted throughout the proposal, with the key stakeholders being the tuna, sardine, prawn, rock lobster, mussel, abalone and kingfish sectors.

### *Port Spencer*

The Centrex Metals mining venture at Wilgerup originally intended to export iron ore from Port Lincoln. The proposal required the provision of iron ore loading infrastructure at a cost of \$63.25 million. The proposal was strongly opposed by the Port Lincoln community on environmental grounds, concern about potential cross contamination from exporting grain, minerals and seafood from the same wharf, and increased road-train movements through the CBD. Alternative port options were consequently investigated and Port Spencer, 21kms north of Tumby Bay, was identified as an ideal location, largely because the site is central to several iron ore deposits on the lower Eyre Peninsula and 20+ metre deep water is accessible within 500 metres of the shoreline (thereby accommodating Cape class vessels without the need for dredging, and minimising the cost of jetty infrastructure).

Port Spencer is being developed primarily for iron ore export from Wilgerup and the Fusion JV with Eyre Iron Pty Ltd at Koppio. However grain will also be exported from the facility and Free Eyre, an Eyre Peninsula based farmer owned agricultural company, is part of the design team investigating the viability of grain export (using smaller Panamax sized vessels).

Centrex Metals Limited plans to develop the port in stages: Stage 1 – establishment of the base infrastructure and accommodate the delivery grain and haematite (from Wilgerup) by road trains. The estimated cost associated with stage 1 is \$150-200 million. Stage 2 – enable delivery of magnetite from the Koppio mine via a 40km underground slurry pipeline, with the water provided from a 5GL desalination plant. The desalination plant will be of modular construction enabling upgrade to about 20GL capacity if needed.

The justification for the construction of Port Spencer is based on the viability of Centrex's joint venture operations; however the port will eventually be available for other users on commercial terms, with the users responsible for funding their port infrastructure needs.

Stage 1 received provisional development approval in January 2011 and stage 2 received major project status in May 2013. The Australian Government is expected to make a decision regarding Centrex's Environment Protection and Biodiversity Conservation submission by the end of August 2013.

### *Green Grid*

A consortium consisting of Macquarie Capital Advisors, Worley Parsons and Baker & McKenzie assessed the feasibility for development of new transmission infrastructure to unlock large scale electricity generation in South Australia. The assessment found that a viable business case exists for investment in new transmission capacity and that the Eyre Peninsula offers extensive opportunities for wind generation. Four highly attractive wind zones are identified in the region with wind speeds sufficient to support more than 10,000MW of renewable electricity generation.

South Australia currently leads the nation in renewable energy generation with approximately 900MW of installed wind generation with potential to increase this to 1,000MW in parts of the State where grid capacity currently exists. The proposed Green Grid on Eyre Peninsula combined with transmission system upgrades in South Australia would support 2,000MW of additional wind energy generation. It would link Eyre Peninsula wind generation zones to the National Electricity Market, effectively trebling current capacity and enabling South Australia to become a significant exporter of electricity to high demand regions of the eastern states.

The Green Grid project would initially establish a high voltage (500kV) above ground transmission network linking Davenport (near Port Augusta) to 2 identified high wind generation zones. It would consist of a central connection point and a western connection point located near Elliston on the western coast of Eyre Peninsula. A second similar high voltage link from Davenport to Heywood in western Victoria would be required to complete the connection to Victoria's 500kV network.

This project would unlock significant investment in wind energy generation resulting in capital expenditure of \$5.8 billion in new transmission and generation assets.

The direct and indirect economic benefits of this project are substantial. It is envisaged that stage 1 would create approximately 1,400 direct and an additional 1,600 indirect jobs during the construction phase with an estimated 5,000FTE jobs in total over the first 20 years of operation. Other economic benefits include \$5.8 billion capital expenditure with \$1.8 billion within South Australia; a contribution of \$2.7 billion to State's GP arising from construction; direct expenditure of \$104 million pa; and 121 FTE's associated with operation and maintenance.

### *Pumped Hydro Technology Pilot Projects*

The demand for peak electricity and increased use of large scale wind generation systems is creating opportunities for the development and commercial application of substantial energy storage systems. These opportunities are expected to flourish in line with increased utilisation of renewable energy generation systems from wind and other renewable sources such as solar and wave energy.

Pumped hydro energy storage (PHES) is a relatively well established and mature energy storage technology (about 160GW capacity installed worldwide), which is suitable for meeting the challenges created by variable demand and intermittent supply. New PHES technologies and construction techniques are expected to make PHES highly suitable as a grid stabilisation technology that can be used to support the large scale rollout of renewable energy generation systems.

Two potential pilot project sites have been identified in the region – one using fresh water and one using sea water. The Tod Reservoir near Port Lincoln is the freshwater site. The reservoir is owned and operated by SA Water, who has agreed to support a feasibility study for the project. The sea water site is to the north of Mount Greenly, which is leased by Australian company Pacific Hydro.

Pacific Hydro is seeking to partner with a Chinese entity, the State Grid Corporation of China, which has established 30 pumped hydro plants in China in the last 6 years. The partnership would utilise Chinese engineering expertise to undertake the design and feasibility studies for both project sites. RDAWEP has been facilitating the development process.

### **Major Projects Unable to Proceed**

Despite the best facilitation efforts of RDAWEP, changing economic circumstances and the competition for limited government funding have prevented some major projects from being realised.

### *Thevenard Marine Offloading Facility*

RDAWEP has been providing assistance to the District Council of Ceduna for the construction of a purpose-built Marine Offloading Facility at Thevenard to support fishing operations in the Great Australian Bight. This is an extremely important project for the future sustainability of the Great Australian Bight fishing fleet as it will generate productivity and viability benefits by overcoming operational inefficiencies and cost penalties that are presently being experienced at the port of Thevenard.

Bulk export vessels currently have priority use of the Thevenard wharf. When export vessels are being loaded, fishing vessels either have to wait for wharf access or steam to Port Lincoln or Port Adelaide to unload their perishable catch. Both options result in the deterioration of product freshness and quality, reducing income and profitability.

The steaming option also incurs significant operational costs in fuel use and loss of fishing time, which is estimated at \$30,000 per trip to Port Lincoln and \$40,000 to Port Adelaide. These cost penalties are unsustainable and are jeopardising the long term viability of the fishing fleet.

The District Council of Ceduna lodged 3 applications for funding in Rounds 1, 2 and 4 of the RDAF, but has been unsuccessful on each occasion. RDAWEP supported the Round 4 application with the preparation of a supplementary business case to strengthen the analysis of the economic and community benefits that could be derived from the project.

In view of the importance of the fishing industry to the economic growth and prosperity of the region the construction of the Thevenard Marine Offloading Facility remains a priority project for the Board and further assistance will be provided to facilitate the realisation of this important initiative.

#### ***Arafura Resources Rare Earth Processing Facility***

During April 2013 Arafura Resources announced that it would not proceed with a \$1.3 billion rare earths processing complex in Whyalla. The sudden loss of this project represents a significant blow to Whyalla and the economy of the region.

The project was expected to create 1,000 jobs during construction, with 300 permanent jobs once the plant became fully operational. The direct economic impact of the project on the city of Whyalla was estimated to be \$100 million per annum.

The company outlined that the single biggest factor for the decision was the escalation of project development costs in the Australian market, which made the project uncompetitive. The company expects to make savings of up to \$1 billion by moving the processing plant closer to the Nolan's Bore mine site in the Northern Territory with final processing likely to be offshore.

#### ***BHP Billiton Olympic Dam Expansion***

During August 2012 BHP Billiton announced that it would not proceed with the \$27.4 billion Olympic Dam open-pit expansion project. This announcement and concurrent abandonment of the project in its proposed form provides a significant long term setback to the economy of the region.

The project was expected to create 6,000 construction jobs an additional 4,000 FTE's following construction and indirectly a further 15,000 positions. Whyalla, with its close proximity to Olympic Dam, strong engineering, fabrication, manufacturing capability and skilled workforce was ideally positioned as a major supplier of goods, services and people to work on the project.

During November 2012 the State Government approved an extension of the BHP Billiton indenture agreement, providing the company with a further 3 years to develop alternate plans for expansion of the Olympic Dam mine.

#### ***BHP Billiton Desalination Plant***

A key component of the Olympic Dam Expansion Project was construction of a 100GL/year capacity, desalination plant. A site for the plant was selected adjacent to Port Bonython, approximately 35kms northwest of Whyalla.

This project had an estimated cost of \$1-2 billion, with construction requiring an estimated 400 workers. Consequently the project was expected to have a significant positive impact on the economy of the Whyalla and Eyre region. Potential availability of excess water for use by industry was an additional project benefit.

### *Wave Energy Pilot Project*

Wave Rider Energy, an Adelaide based company, has developed unique wave harnessing technology and constructed a pilot plant to test the capability of the system. The plant is comprised of a floating platform anchored to the sea floor which produces power by converting the ocean's kinetic energy into mechanical energy, with waves striking buoys to turn an axle and power generators.

The pilot plant was constructed in Port Adelaide after 4 years of development and was launched in November 2011. The plant was originally going to be tested at Lock's Well, near Elliston because the wave climate in the area is the best available in South Australia. However, successful sea trials in 2013 provided sufficient data to make the Elliston pilot testing unnecessary. This resulted in a loss of an innovative renewable energy project to the region.

A working wave energy plant would produce 1MW of electricity and be capable of powering 500-700 homes, i.e. the location of a plant on the west coast of Eyre Peninsula would be able to supply the power needs of Elliston. There is potential to use wave energy systems to power water desalination plants at several locations around the coast of Eyre Peninsula or produce energy for mining operations.

RDAWEP will nevertheless pursue future options for wave energy plants to be established in the region.

### *Whyalla Solar Oasis Thermal Project*

In 2010 a Whyalla Solar Oasis Consortium commenced the development of a 40MW solar thermal project in Whyalla. The consortium is comprised of Wizard Power (who bought the solar dish technology from Australian National University, where it was researched and developed from the 1970's) and 2 development companies, National Power and Sustainable Power Partners.

The \$230 million project is the first commercial scale solar thermal plant in Australia. The project will comprise about 330 solar dish concentrators which each have 500m<sup>2</sup> of curved mirrors capable of focussing energy on a receiver and generating steam with temperatures in excess of 2,000C. The plant will have the capacity to generate 66 GW of solar electricity per annum, enough to power 9,500 homes and reduce greenhouse gasses by 60,000 tonnes per annum, i.e. equivalent to taking 17,000 cars off the road per annum.

The project was funded with a \$60 million grant from the Australian Renewable Energy Agency (ARENA) in 2012. But in June 2013, ARENA terminated the funding deed on the grounds that the consortium had failed to meet some of the grant conditions regarding investment attraction. The matter is being negotiated and it is hoped that the project will be reactivated in the very near future.

### **Business Advisory Services**

RDAWEP employs 2 Business Development Advisors to support regional small to medium enterprises across the entire Eyre Peninsula. Funding for this service is provided as part of the Board's partnership with the Department of Primary Industries and Regions SA (PIRSA) and local Member Councils.

Strong demands for business advisory services continued in 2012/13. Local business confidence declined over the period throughout various sectors largely due to the pending Federal election and political uncertainty at both Commonwealth and State level.

Contributing factors such as the lack of hard infrastructure throughout the Eyre Peninsula and a high \$AUD were instrumental in a number of major projects for the region being discontinued or delayed indefinitely. This together with an easing in demand for iron ore and subsequent price fall hindered the emergence of the mining and renewable energy industries and the related potential opportunities for business growth and diversification across the Eyre Peninsula.

The retail sector is undergoing a period of change and uncertainty, through increased competition courtesy of both large corporate retailers and from online sales. Many businesses are struggling to adapt and compete against this new face of retail and confront difficulties incorporating new technologies and marketing techniques required to compete and grow business, as was the case post 2000 with the introduction of GST. Some retailers have utilised this opportunity to re-shape their business and paved the way for business growth.

Employment issues surrounding the lack of suitably skilled workers are common throughout the mining and resource, fishing and aquaculture, professional services and agricultural sectors. Whilst certain sectors of the community are enjoying good levels of employment and above average wages (mainly driven by the manufacturing and mining sectors), this is something that is causing a great deal of strain on small business finances, in attracting workers and competing with these higher wages.

RDAWEP Business Development Advisors have been responding to the challenging issues that face businesses across our region, and are implementing and facilitating programs to assist businesses to adapt and cope with this new business landscape.

### *Business Advisory Workshops/Business Capability*

The Board continues to be very active in facilitating workshops and programs for small business owners and managers to build and support business capability across the region.

Skills of locals, targeted professionals and RDAWEP staff have been utilised to ensure continuation of educational opportunities for business owners and managers. The current program model has been invaluable with essential networking opportunities being created for local business owners and presenters.

RDAWEP staff worked closely with Business Advisors from the Federal Government's Enterprise Connect program to identify suitable businesses to participate in the program. This program provides an independent business review with a plan for improvement, with eligible businesses offered a 1:1 matched \$20,000 grant, for implementation of the recommendations within the plan.

Throughout the period, numerous Federal and State Government departments have sought assistance from the Board through the RDAWEP networks to coordinate and host local community and business consultation sessions. The purpose of these sessions has been to deliver or gather information to and from local business and the wider community for several reasons, including delivery of legislative changes and feedback requests for the Department of Primary Industries and Resources of South Australia (PIRSA) Regional Mining Infrastructure Plan.

Throughout the year, the Board has coordinated major project briefings for local contracting companies to target opportunities in the mining, renewable energy and defence sectors. These briefings provided a forum for local businesses to engage with project developers to gain understanding of key timelines, procurement processes, and safety requirements and of services available in the region.

The Board was successful in obtaining \$200,000 funding from the Federal Government AusIndustry Small Business Advisory Services (SBAS) program for delivery of a Small Business Training and Mentoring program. The program will be delivered to 160 businesses across the Eyre Peninsula with workshops held in Port Lincoln, Ceduna, Wudinna and Whyalla. The key aim is to build the capacity and skills of business owners and managers to ensure local businesses are sustainable and can diversify and grow with the traditional and emerging industries in the Whyalla and Eyre Peninsula region. Project planning began early in 2013, delivery commenced in June and will continue throughout the 2013/14 year.

During 2013, RDAWEP was successful in securing funding from DMITRE to deliver a "Regional Business Online" program across the region. This program was developed to address the critical shortfall as identified by both State and Federal Governments on the use of technological business solutions by SME business owners in regional areas.

A series of sessions will be delivered in late 2013 to provide business owners with current and informed information, as to how to identify and incorporate the right technology solutions into their business. This will arm business owners and managers with a clear direction and understanding of how to introduce exciting technologies and techno-based applications necessary for business/retailers to remain sustainable and competitive.

### **Tourism Initiatives**

The Tourism Development Manager (TDM) is funded under a partnership agreement between Eyre Peninsula local Councils, Tourism Eyre Peninsula (TEP), the Outback Communities Authority, the South Australian Tourism Commission and RDAWEP and is responsible for driving the growth of tourism in the region with input from the Tourism Eyre Peninsula Target Team.

Target team members are comprised of industry volunteers, Local Government representatives and stakeholders. Their role is to assist the Board in developing a high level regional plan for the tourism sector. The key priorities from this plan are then linked directly to RDAWEP's strategic planning document, with the Target Team members providing direction on the following:

- › 2012/13 saw RDAWEP secure Brand Eyre Peninsula – Australia's Seafood Frontier as the primary tourism brand for the region. The Brand Eyre Peninsula program is now responsible for connecting with consumers, trade and the media for the tourism and seafood sectors, a partnership that has delivered significant returns to industry throughout 2012/13.

Under the program tourism operators have the opportunity to collaborate on cooperative marketing initiatives to secure Eyre Peninsula's position as one of the world's premium tourism and culinary destinations.

The target team completed a Destination Management Planning process in 2012/13, which included extensive community and industry consultation. The Destination Management Plan identified a number of regional and sub-regional priorities in the areas of Destination Management, Development and Marketing. This is now the lead document in determining future activities of the target team.

### **Destination Management**

#### ***Tourism Eyre Peninsula Target Team***

The roles and responsibilities of the Tourism Eyre Peninsula Target Team have changed extensively over the past 2 years. It was identified through the recent Destination Management Plan that the current structure of the target team no longer met the expectations or requirements of the industry. As a result the target team was expanded to include 5 sub-regional working groups covering the extent of Eyre Peninsula including lower Eyre Peninsula, eastern Eyre Peninsula, central Eyre Peninsula and the Gawler Ranges, the west coast and the far west and Nullarbor. This expansion has resulted in a significant increase in industry, community and Government representation in determining the future development of tourism throughout the region.

The Tourism Eyre Peninsula Target Team will also utilise the name Tourism Eyre Peninsula in order to better reflect the work it carries out and its role as a regional tourism organisation.

#### ***Destination Action Plan***

While state and regional strategies exist, the South Australian Tourism Commission (SATC) has developed Destination Action Plans (DAPs) to focus and prioritise the projects to achieve the goals set out in these strategies. DAPs are simple, focused, consumer-led action plans for each region that prioritise resources from SATC units and those of regional stakeholders. The TDM and the target team have worked closely with the SATC in identifying the region's objectives and priorities for inclusion in the DAP.

### ***RDF Stream 2 Funding***

RDWEP were successful in securing major funding of \$185,000, which will form the basis of a \$370,000 project to build Eyre Peninsula as a world class food region. The grant funds will be leveraged with both the food and tourism industries and deliver 9 specific projects aimed at increasing the economic benefit of these key industries.

### **Destination Development**

#### ***Australian Air Holidays***

In 2012/13 the TDM and the SATC successfully secured a new tour company (Australian Air Holidays) to deliver direct 3-day interstate air tours into lower Eyre Peninsula to highlight the culinary and seafood experiences available in the region. These tours have been highly successful with scheduled departures from Sydney, Brisbane, Melbourne, Perth and Canberra. The tours package a minimum of 11 local businesses.

#### ***Accommodation Upgrades***

Both Quest Whyalla and Port Lincoln YHA were successful in obtaining grant funds to assist in renovating or developing new quality accommodation in the region.

#### ***Helicopter Transfers for Fowlers Bay Whale Eco Tours***

The TDM has been working with Fowlers Bay Eco Whale Tours, HeliFarm and the Ceduna Foreshore Hotel to develop and market whale adventure packages ex Ceduna. This product was successfully operated over the 2013 whale season.

#### ***Cruise Tourism***

Tourism Eyre Peninsula in conjunction with the City of Port Lincoln and the SA Tourism Commission were successful in attracting 2 additional Cruise companies to Port Lincoln in the coming 2014/15 seasons. Both Royal Caribbean and P&O Cruiselines have included Port Lincoln as a destination port in their future itineraries. Both companies have also confirmed overnight visits to Port Lincoln, increasing the economic benefit to the region. This success has resulted in additional potential capacity of 6400 passengers and crew in 2014.

### **Destination Marketing**

#### ***Regional Tourism Website and Online Presence***

Tourism Eyre Peninsula successfully launched a new regional tourism website [www.exploreeyrepeninsula.com.au](http://www.exploreeyrepeninsula.com.au) providing a single point of call for consumers seeking further information on Tourism Eyre Peninsula experiences and products. The website assists local businesses enhance their online presence through advertising opportunities and provides commission free direct booking capabilities.

The regions online presence has been further enhanced by the development of social media platforms including facebook, instagram and twitter.

#### ***Conference Tourism***

Tourism Eyre Peninsula initiated the Building Eyre Peninsula as a Conference Destination Program in late 2012, which included the development of a regional Conference Planners Guide and enhanced digital marketing to grow market share through the development of a specific business event website [www.eventseyrepeninsula.com.au](http://www.eventseyrepeninsula.com.au).

### *Nullarbor Guide*

Tourism Eyre Peninsula, in partnership with the SATC and Tourism WA, produced the 9<sup>th</sup> edition of the highly popular Nullarbor Guide. The guide highlights the iconic driving route from Adelaide to Perth and provides tourism and associated businesses with a cooperative marketing opportunity to feature individual experiences and products along the touring route.

### *Eyre Peninsula Visitor Guide*

Tourism Eyre Peninsula has worked in conjunction with the SATC and HWR Media in developing the copy for the Eyre Peninsula Regional Visitor Guide. This guide is one of 11 regional guides used by the SATC to market regional tourism experiences across South Australia. The guide is the primary source of marketing collateral used at the majority for trade and consumer shows both in Australia and overseas.

### *Best Backyards Campaign*

Tourism Eyre Peninsula has worked in conjunction with the SATC in developing the South Australian Best Backyards intrastate marketing campaign. This resulted in Eyre Peninsula being the only region for which a television commercial was produced and aired across the major free to air channels in South Australia. The commercial utilised the tagline – “*Eyre Peninsula, a little bit scary, but loads of fun.*”

### *Image Gallery*

Tourism Eyre Peninsula and RDAWEP continue to build on their quality image gallery, which has proved extremely successful in attracting quality media and highlighting the region’s unique attributes. Activities to improve the image library included hosting Randy Larcombe Photography in a regional photography shoot as well as sponsoring a regional photography competition, which resulted in over 200 quality submissions.

### *Opinion Leaders Program and Famils*

Tourism Eyre Peninsula, in conjunction with Brand Eyre Peninsula, has continued to conduct its highly acclaimed Opinion Leaders Program, which has led to extensive media coverage for Eyre Peninsula both domestically and internationally. Tourism Eyre Peninsula also played a key role in the famils program facilitated by the SATC and Tourism Australia. 2012/13 saw Eyre Peninsula host more than 86 media and tourism trade representatives, who spent more than 297 nights in the region.

The Board was successful in securing a funding agreement for a new TDM position for the Eyre Peninsula following withdrawal of local tourism support from the State Government in 2011. The funding agreement is for a period of 3 years and is in partnership between Eyre Peninsula local Councils, Tourism Eyre Peninsula, the Outback Communities Authority, SATC and RDAWEP. The position is supported and managed by RDAWEP and the Tourism Eyre Peninsula Target Team.

The TDM works with the Economic Development Manager and the Business Development Advisor in driving the growth of tourism in the region, with input from the Eyre Peninsula Tourism Target Team.

Target team members consist of industry volunteers, Local Government representatives and stakeholders. Their role is to assist the Board in developing a high level regional plan for the tourism sector. The key priorities from this Plan are then linked directly to the Board’s strategic planning document. Target team members provide direction on the following:

- › Provision of high level, strategic advice on matters/issues affecting the economic performance of the region’s tourism sector.
- › Advice on how to optimise and develop regional tourism infrastructure and resources.
- › Identification of key priorities and effective strategies to assist with business development initiatives including the rollout of relevant training and support programs in the region.

- › Advice on existing and future workforce supply and demand requirements.
- › Providing advocacy and lobbying on matters affecting the economic performance of the sector.

Tourism has taken a significant step forward in the last 12 months with the launch of the Brand Tourism Eyre Peninsula Prospectus in June 2012. This exciting marketing program links the region's tourism industry with the extremely successful food industry development program of Brand Eyre Peninsula, Australia's Seafood Frontier. Under the program tourism operators have the opportunity to collaborate on cooperative marketing initiatives to secure Eyre Peninsula's position as one of the world's premium tourism and culinary destinations.

### **Food Industry Development**

The Food Industry Development program has been invaluable in the development of the regional food brand, "Eyre Peninsula, Australia's Seafood Frontier" and the implementation of an innovative Market Development Program featuring leading Australian and International chef's and wholesaler missions and in-market promotions. More recently, the program has focused on the development of quality educational materials featuring seafood species from the region.

The food program aims to build long term business relationships and value chains and secure long term sales and increased price points. Seafood missions to the Eyre Peninsula provide end users the opportunity to appreciate the broad range of quality seafood, the environment in which the seafood is produced and the business capabilities that each enterprise has invested to create a premium valued product.

RDAWEP coordinates 2 annual seafood buyers' missions and is nationally recognised as an innovative marketing initiative generating economic growth for the participants.

The food program implemented a strong educational program through the development and launch of the Eyre Peninsula Food Website [www.seafoodfrontier.com.au](http://www.seafoodfrontier.com.au) and "The Seafood of the Eyre Peninsula" user guide featuring 12 seafood species. The educational program provides a consistent message about the availability, usability and culinary capacity of the region's seafood harvest with a focus on provenance, quality and history.

The success of the program has grown through market collaboration in marketing and value chain development, with the seafood industry recognising the immediate business benefits and increased returns. A prospectus is released annually with businesses nominating preferred marketing activities under Brand Eyre Peninsula with approximately 35 businesses currently listed as members.

The Board successfully negotiated a 4 year contract for the Eyre Peninsula Food Industry Development program funded through FoodSA in partnership with Primary Industries and Regions SA.

### **Food Program Outcomes**

#### ***Eyre Peninsula Seafood User Guide***

"The Seafood of Eyre Peninsula" consolidated existing seafood marketing and training collaterals within the framework of a single, consistent format. The guide empowers trade to have a greater understanding for the seafood from Eyre Peninsula and in some sectors, across South Australia and in all aspects of the value chain, from water to plate. Cornerstone to the program is a consistent message about the availability, usability and culinary capacity of the 12 species featured. With a focus on delivering a consistent message about the provenance, quality and history, the guide is delivered across multiple media formats including hardcopy and electronic. "The Seafood of Eyre Peninsula" is specific to each industry sector and species and relevant to each stakeholder in the supply chain.

The principal content includes:

- › Handling, storage and cutting guides.
- › Preparation and cooking guides.
- › Presentation and display guides.
- › Key/unique selling aspects by species. International interpretations of cuts/forms and their uses.

#### ***Eyre Peninsula Food Website***

The Eyre Peninsula food website [www.seafoodfrontier.com.au](http://www.seafoodfrontier.com.au) is a global communication tool that offers a “one-stop-shop” for food buyers, media, tourists and Government organisations sourcing information about region’s products and services. The key objectives of the Eyre Peninsula food website include:

- › Establishing an industry-led collaborative marketing tool.
- › Increasing market penetration in domestic and export markets.
- › Successful entry into new markets.
- › Increasing the value of food and wine related tourism in the region.
- › Establishing an efficient communication tool between all key stakeholders and industry.

The “industry” section is a key communication tool between stakeholders for information on industry training courses, funding programs and export opportunities. The site is user friendly, easy to navigate and provides a “first” for consolidating all Eyre Peninsula food information in one location.

#### ***Hilton Adelaide Seafood Mission***

The Eyre Peninsula seafood industry hosted 13 Hilton Adelaide chefs over a 3 day “water to plate” program. The initiative has increased awareness of Eyre Peninsula’s seafood including product quality, harvesting methods, seasonality, processing, packaging, environmental management programs, distribution channels and reinforced relationships between growers and Hilton Adelaide’s culinary team. On completion of the mission, Eyre Peninsula’s products were featured on Hilton Adelaide’s December and January menu. Additionally, growers participated in the regional launch at an exclusive Hilton Adelaide corporate Christmas function for 200 of Hilton’s VIP clients and industry partners. The combination of these activities has secured a strong and sustainable partnership between Hilton Adelaide and the Eyre Peninsula food industry.

#### ***Eyre Peninsula Chef Masterclass***

The Eyre Peninsula hosted South Australia’s own celebrity chef, Simon Bryant (former Executive Chef of Hilton Adelaide and presenter of ABC’s “The Cook and the Chef” to conduct a 4 hour masterclass for 9 Eyre Peninsula chefs. Titled “Shit Fish”, the masterclass provided excellent information and discussions on the following key topics:

- › Menu design.
- › Culinary applications to less utilised cuts (zero wastage, maximum returns).
- › Cost analysis on all dishes prepared by Simon Bryant.

The workshop highlighted strategies for menu price structure and encouraged the use of all cuts of the fish to ensure a greater financial return to the business. In addition, the masterclass has provided a high level of inspiration and motivation for the local chefs.

#### ***Tasting Australia***

The Eyre Peninsula food and tourism industry hosted 15 national and international food writers for 2 days as part of the Tasting Australia 2012 program. The program included a showcase of the region’s food producers and tourism operators and culminated in 2 major events:

- 1) the Media and Producers dinner at Axel Stenross Maritime Museum; and
- 2) the Tasting Australia public lunch at Boston Bay Winery with Port Lincoln chef Tony Ford and New Zealand celebrity chef, Martin Bosley.

### *Eyre Peninsula Seafood Flavour Wheel*

The Eyre Peninsula seafood industry, in conjunction with the University of Queensland, commenced the Eyre Peninsula Seafood Flavour Wheel project in August 2011 with funding in excess of \$100,000 being secured by Fisheries, Research Development Corporation (FRDC) and the University of Queensland. The Seafood Flavour Wheel features 12 Eyre Peninsula seafood species and will define and describe the tastes and develop a flavour and sensory language for consumers in the form of a world-first seafood flavour wheel.

Ultimately the Eyre Peninsula seafood industry, who have teamed up with a group of Brisbane based food scientists, will pinpoint and describe what makes the region's premium seafood taste so unique in an attempt to educate consumers and chefs. The flavour descriptors will be incorporated into tasting notes for menus across the globe.

It is expected the research will raise the profile of the seafood from Eyre Peninsula and be used to differentiate local product from that of other seafood regions. The Seafood Flavour Wheel was completed in June 2013.

### *Opinion Leaders Program*

The Eyre Peninsula food industry hosts a range of high profile media representatives and domestic and international buyers through the year. The Opinion Leader Program firstly responds to individual requests to showcase Eyre Peninsula's food industry through print, radio and television media to increase the brand message and secondly, potential buyers will be "filtered" to ensure local industry capitalise on new market opportunities.

### **Mining Services Industry Development**

There are numerous development opportunities emerging for the regional economy, notably at Whyalla. These opportunities are being driven by investment in a wide range of projects in the mining, engineering, resources processing and renewable energy sectors.

Growth in the mining and resources processing industry in particular is the key driver for this development. The region presently has 5 operational and approved mines (Iron Chieftain, Middleback Ranges, Jacinth/Ambrosia, Wilcherry Hill and Wilgerup) but another 22 mining projects are pending. The region's mineral prospects and mining projects awaiting approval include:

<b>DEVELOPING MINING PROJECTS AWAITING APPROVAL IN THE REGION</b>		
<b>Project</b>	<b>Operator</b>	<b>Resource</b>
Bungalow and Minbrie	Centrex Metals JV with Baotou Iron and Steel Co Ltd (Boagang)	Magnetite
Fusion Joint Venture (Carrow, Koppio, Bald Hill, Charlton Gully, Greenpatch)	Eyre Iron Pty Ltd [JV between Centrex Metals and Wuhan Iron and Steel Group Co]	Magnetite
Gum Flat	Lincoln Minerals	Haematite Magnetite
Haematite Extension Project	Arrium Mining Ltd	Haematite
Menninnie Dam	Terramin Australia Ltd	Lead, zinc, silver
Poochera (Carey's Well)	Minotaur Exploration Ltd	Kaolin
Samphire Project	Uranium SA	Uranium
Tripitaka	Iluka Resources Ltd	Heavy Mineral Sands
Tunkillia	Mungana Goldmines Limited	Gold, silver
Warrambo, Kopi (Central Eyre Iron Project)	Iron Road Ltd	Magnetite

MINING PROSPECTS UNDER EXPLORATION IN THE REGION		
Project	Operator	Resource
Atacama	Iluka Resources Ltd	Heavy Mineral Sands
Bramfield	Lymex Ltd	Iron Ore
Campoona Shaft and Sugarloaf	Archer Exploration	Graphite
Eucla Basin	Diatreme Resources	Mineral Sands
Fowlers Bay	Gunson Resources	Nickel
Hercules	IronClad Mining Ltd	Magnetite
Koppio	Lincoln Minerals	Graphite
Cockabidnie		
Paris	Investigator Resources Ltd JV with Mega Hindmarsh Ltd	Silver
Pudinya	Marmota Energy	Uranium, copper, nickel
Sonoran/Typhoon	Iluka Resources Ltd	Heavy Mineral Sands
Uley Graphite Project	Strategic Energy Resources and MEGA Graphite Australia	Graphite
Waddikee	Monax Mining Ltd	Graphite, manganese and Iron ore.

Some of these mineral prospects are enormous. Iron Road's Central Eyre Iron Project (CEIP) at Warramboe is South Australia's biggest mineral resource after BHP Billiton's Olympic Dam.

The CEIP is the largest magnetite resource in Australia, estimated at 3.7 billion tonnes with a 30+ year life based on the export of 20 million tonnes of high grade ore per annum. The project has capital development costs of about \$2.6 billion and will create 1,600 jobs during construction and 650 permanent positions when the mine becomes operational.

Other iron ore prospects have mineral reserves in the multi-millions of tonnes and the graphite mines at Uley and Koppio are believed to contain the highest quality large flake material in the world. This is a significant resource due to the growing use of graphite in the electric car and lithium battery market, along with use as a conductor of electricity, brake pads, a lubricant and a component of new super strong carbon based materials, such as graphene.

The growth of the region's mining and resources sector will have a substantial impact on the region's economy, businesses and communities.

A Resources and Engineering Skills Alliance (RESA) study in 2011 estimated that the region's mining projects will create about 6,700 jobs within the next 10 years, comprising of 4,500 jobs by 2016 (with 1,700 of these required by 2014) and a further 2,200 jobs by 2021. These estimates include a job turnover rate of 15-30% per annum and the employment predictions have been confirmed by a second RESA study conducted in 2013.

This presents a range of employment challenges, such as ensuring that our townships have the appropriate community services, infrastructure and amenity to attract and retain a highly skilled regional workforce, i.e. facilities used by the community such as schools, medical services, community centres, sporting precincts, theatres, cycle tracks, walking trails. This will place additional pressure on the provision of Local Government services and infrastructure across the region.

This challenge is exacerbated because for every person employed directly in the mining sector another 3-5 jobs will be created indirectly in industries that provide support services to mining. Mining companies have indicated preference to engage local businesses to provide these support services. This will provide opportunities for regional businesses to expand their operations and will drive growth in the region's manufacturing, engineering, building trades, retail and hospitality service sectors.

The proximity of Whyalla to mining operations in the north of the state, combined with existing engineering, fabrication, manufacturing and skills training facilities, position the city to become a key service centre for the mining and resources industry. Whyalla is also of a sufficient size to provide the diversity of community services that are necessary for workforce attraction and retention.

However at present, many of the region's businesses do not have the capacity to provide services to the mining sector. Consequently there is a need to ensure that business capability is enhanced to become 'major project ready' in order to meet the rigorous tendering pre-qualification, compliance, quality control, safety, risk management and other demands of contractors to the mining sector.

These mining industry service needs are being addressed through a range of RDAWEP business and skills development programs that will assist businesses with development opportunities for many years.

### **Indigenous Economic Development**

The project known as Indigenous Economic Development provides assistance and support for Aboriginal groups and individuals to connect to commercial activities and also strategically to moves Aboriginal persons into the workforce.

The changes to the delivery of Aboriginal programs that were flagged in last year's Annual Report have eventuated. The main alterations have been the abolishment of the Community Development and Employment Projects program. This has been replaced with the Remote Jobs and Communities Program (RJCP). It will be 1 - 2 years before it will be known if this will be successful. To date it has had the effect of a lot of people that were employed in the delivery of the previous programs losing their employment positions through the closing of the Job Service Agencies, and the Aboriginal CDEP organisations. Due to Government policy, the delivery of the Indigenous Employment Program is restricted to those areas not serviced by the RJCP program. It is considered that in order to obtain maximum outcomes this decision needs to be reviewed. It is important to not lose sight of the main goal of these programs, which is to improve the economies of Aboriginal individuals and organisations and to increase the number of Aboriginal people in employment.

During this past year RDAWEP has increased the provision of services including the restructuring and mentoring of the Koonibba Aboriginal Community, taking on an employment contract (civil works) with the Department of Education, Employment and Workplace Relations (DEEWR) and provided management/resource assistance for the "Breaking the Cycle of Drug and Alcohol Abuse" project being implemented in the far west coast region.

#### ***Koonibba Restructure/Mentoring***

This project, while initially quite daunting, was the most rewarding. The community had a number of incorporation compliance, financial, staff, outstanding reports and board issues that had to be addressed. Working with the new community Coordinator (CEO) of Koonibba was extremely beneficial and his enthusiasm and need to get the organisation back on track was second to none. The project included the development of an Alcohol Action Plan (part of the Breaking the Cycle Program), governance training for both the Board Members and staff, restructuring of financial budgets, updating reports and developing templates for future reports, rectifying statutory compliance issues, reviewing and renewing economic related contracts, and reviewing the Housing SA leasing contracts.

The organisation is now functional with additional employment positions (3), establishment of valuable connection to other service providers and provision of delivery of municipal service activities. In excess of 50 participants undertook training in areas such as hospitality, food safety, barista services, and plant propagation. For the first time the community now has a School Parents Committee and the school attendance rate has increased. More recently the community has received advice of funding assistance to renovate 3 houses. In addition this project will also include training of up to 10 Aboriginal Job Seekers, who obtain skills that are transferrable to other employment.

#### ***Civil Works Employment Contract***

This project has been over 2 years in the making and the initial catalyst was the connection with Natural Resource Management programs. The natural resource groups were obtaining funds to undertake remedial and revegetation works which needed collection of seed from native trees and shrubs that could be used for replanting in areas that they were natural to.

This type of work was instinctive to many Aboriginal people. As a result a training to employment project was established, and to date 12 Aboriginal persons are employed full time in one project while another 4 to 6 are being regularly called on to work on other various natural resource management projects. It is intended to expand this project to include Whyalla and other Eyre Peninsula locations. The project will also include the training for employment with civil construction groups connected to the Port Lincoln Aboriginal Community Council's (PLACC) property developments. Research and planning has commenced to introduce this strategy into the Whyalla location.

### *Breaking the Cycle of Drug and Alcohol Abuse*

The management of this project includes the engagement of personnel to operate a small passenger bus that is also being leased to transport Aboriginal passengers between Ceduna and Yalata. This is a section of the Coroner's report of road deaths over the past 5 years in the region. It also includes the engagement of personnel in Aboriginal communities to develop alcohol action plans and promote the programs that address the outcomes of excessive consumption of alcohol. The strategies include training for employment, being engaged in work projects, and recreation activities that are alcohol free. This program has also a strategy that includes providing mentoring support for organisations to improve their operational structures and in turn improve their economy. This also includes governance training delivered by RDAWEP.

### *Other projects of interest:*

The following is a summary of current ongoing projects:

- 1) The PLACC's property development ventures are on track with a number of allotments receiving expressions of interests to purchase.
- 2) The number of visitors to the Head of Bight Whale Centre continues to grow, with the increase in fees having little effect. During peak season the facility attracts over 200 people per day.
- 3) A second Aboriginal organisation has introduced livestock to its property. They have followed Scotdesco and purchased the Wiltipol breed of meat sheep.
- 4) Property leases or share farming agreements are now in force with 6 Aboriginal properties in place, assisting with employment and improvement of the economy of the organisations.

### **Employment and Skills**

The *Skills For All* in Regions Networks (formerly *South Australia Works* Networks), established by the Department of Further Education, Employment Science and Technology (DFEEST) is the principal funding agency responsible for the design of programs to engage disadvantaged job seekers facing barriers to participation in learning and work. DFEEST provide funding to RDAWEP to support the engagement of an Executive Officer to coordinate the activities of the Network and to implement and manage annual employment and skills development programs.

The Board has an active role in employment and skills training, providing targeted training through the identification of key skill needs with the region. The Board has two *Skills For All* in Regions Networks, one for Eyre and another for Whyalla. Members of the *Skills For All* in Regions Networks are drawn from industry, employment agencies, registered training organisations and educational institutions.

In the Eyre Region, the Network is supported by the work of the Employment and Enterprise Strategic Planning Group (EESP) that meets in Ceduna and has a focus on Aboriginal participation. The Chair and Executive support is provided to this group via DEEWR's Regional Education & Skills Coordinator.

DFEEST has requested RDAWEP to place a greater emphasis on industry and network engagement with the establishment of a Regional Leaders Group for both Eyre and Whyalla regions. The primary objective is to provide regional industry with an avenue to provide high level advice to Government on industry sector skills demands and Skills for All in Regions initiatives.

The Eyre Region has proposed a model to utilise the 4 industry based target teams to provide the industry and business engagement required by the department, rather than having to set up yet another committee. Skills, training and employment (HR) will now be an agenda item on each of the 4 regional target teams (Tourism, Business, Seafood and Agriculture) and target team members will be able to provide the SFAIR Network with the relevant intelligence on skills, training and employment needs of their respective businesses, to assist in the development of futures training strategies for the region.

Whyalla is establishing an Industry and Skills Leadership Group, with their inaugural meeting scheduled for October 2013. The group will meet quarterly and consist of a maximum of 8 representatives from heavy industry, manufacturing, small business, aged care, retail and Local Government.

RDWEP has maintained a strong relationship with DFEEST and in 2012/2013 financial year the 2 regions received a total of \$530,610 for the delivery of the *Skills For All* in Regions program for targeted training as identified within the Annual Action Plan. In addition to this, a further \$100,000 of "Special Projects" funding has been allocated via DFEEST to address specific issues in the regions.

### Programs Delivered in the Eyre Region

#### *Employment Access Fund*

This project is a repeat initiative to provide individuals one off grants to assist them access skills, training and prerequisites to employment. Grants generally fund up to 50% of the cost associated to aid in securing employment, capped at a maximum of \$1,000. Discretionary funding may be accessed on a case by case basis.

Individuals are able to access this fund for licences, tickets, medicals, birth certificates, drug and alcohol testing, personal protective equipment, personal grooming, trade tools and travel on proof of pathway or employment opportunity. Successful applicants have up to 6 weeks to access the entitlement, and after this time resources are allocated back to the funding pool.

Importantly, this funding is targeted at individuals who are not connected, unable or have insufficient funds allocated through their Jobs Services Australia Provider. This fund is accessed by those currently under employed or unemployed or at risk of losing employment. It is utilised to up skill, increase hours or change career pathways into a skill shortage industry.

A portion of this funding is allocated for the Aboriginal Participation Broker to access for participants in need that are restricted by time, location or circumstance to access immediate funding. The same funding rules are applied. This service is available to eligible participants to:

- › Increased pathways to learning, training and employment.
- › Support of transition to further education.
- › Support of increase in hours, up skilling or career changes.
- › Support skill shortage industries.
- › Support those at risk of losing employment.

#### *Career Development Service (CDS)*

This has been established by South Australia Works to implement effective strategies to support people to overcome barriers to participation in the labour market. CDS focus is to provide quality, flexible and responsive career planning support service for people in the Eyre region. It targets people who have limited education, training experience and those looking to expand their career options.

The CDS continues to assist in resume building, career planning and provide information on industry demands and trends. Links to volunteering opportunities is explored to help install good work practices, ethics, confidence and skills as prerequisites for employment. Referral and links to appropriate support agencies such as health, housing, welfare, drug and alcohol services are utilised where appropriate.

The CDS provides direct links to work experience and employment opportunities and is a confidential and targeted career information service to support and counsel participants. It acts as the filter for other initiatives and training opportunities within the region.

CDS recruiting is via a range of referral points including CDS, Job Services Australia, Aboriginal Access Centre, TAFE, disability support services, community agencies, DFEEST's Aboriginal Participation Broker and self-referral.

This service is available to eligible participants to:

- › Create pathways to training and employment.
- › Provide current information on industry demand and trends.
- › Filter participants in the region to specialised services.
- › Equip participants with current and relevant resumes.

### ***EP in Concert – EPIC (Community Music Festival)***

The Community Musical Festival project is designed to develop, market and project manage a 1 day local musician's festival. The event will be held in Port Lincoln at the Centenary Oval and provide the opportunity for up and coming musicians and bands to obtain exposure and raise their profile within the community.

15 participants will be equipped with the skills needed to design and project manage a community event. Training components will include, but not limited to, design and scheduling, resource and logistic planning, marketing, security techniques, hospitality and customer service.

The project is supported by many local businesses and a variety of not for profit organisations to provide support and expertise to assist the participants in gaining skills in line with minimum industry requirements for employment.

Participants from TAFE's Cert 11 Hospitality and Tourism course and participants from Australian Training Institute's Security Course are to be invited to participate in all aspects of the community music festival and to have real experience in the workplace to industry standards.

The sponsor, Community House Port Lincoln is creating partnerships with local hoteliers, clubs, café owners, security firm, registered training organisations, job networks and many not for profit organisations to achieve the employment outcomes and to assist with financing some of the costs.

Participants are being put through training and qualifications in security and hospitality and will utilise this event to have their final assessment in a 'real' workplace environment to industry standard

The event schedule for October will be preparing participants and providing them an ideal opportunity to obtain work, which would meet the needs of hospitality employers during the busy summer months of Christmas, New Year and Tunarama. This project will provide:

- › Pathways to training and employment through life and skill set development.
- › An industry taster, to ensure strengths and personal goals are aligned.
- › A gap filler for those that have a career plan, though need additional skills to achieve outcomes.

### ***Primary Industry Skills Shortage***

This project is addressing skill and employment shortages in 2 of the key areas of the Eyre Peninsula's economy, shearing and aquaculture.

The 1st component of the project has been to value add to the TafeSA "Living Classroom" learning environment which simulates a fully operational shearing shed to deliver shearing training to intermediate level participants. This level has been targeted as they just fall short in the amount of sheep they can shear to gain sustainable employment.

Participants have access to this residential shearing facility/training and engage participants in skills development through providing wrap around social skills such as drug and alcohol awareness, budgeting and self-marketing.

At the completion of the formal practical training, completing participants are being provided with up to 4 weeks subsidised work exposure in a fully operational shed alongside professional shearers. This gives them the opportunity to increase their shearing numbers to a level which will make them employable to contractors whilst providing a sustainable level of income for the individual.



*Participants practicing their shearing skills*

Qualified shearers and wool handlers are providing the expertise and industry knowledge in line with industry standards. There are also project opportunities for roustabout/wool handling work experience using the same model of supported work exposure and wrap around skills workshops.

Participants have been residing at or nearby the location to replicate working in a remote shed. Recruits are Eyre Peninsula based and training is linked into the primary seasonal shearing times.

The second component of the project has been to access aquaculture bases on Western Eyre Peninsula (Coffin Bay and Smoky Bay) to service primarily, but not limited to, the oyster industry. This residential training/employment program was designed to equip participants with the skills necessary to gain or increase hours within this sector by means of providing a practical instructor led training/employment project. Participants gain exposure into Oyster operations including gaining their Certificate in "Elements of Shipboard Safety". Training is taking place in locations where current oyster operation facilities exist so as to provide the most realistic work environment possible.

Participants, where practical, reside on site whilst gaining practical skills and competencies in elements of fire safety, use of portable fire fighting appliances, man overboard procedures, launching, boarding and survival in an inflatable life raft and accident prevention as they apply to working in close proximity to machinery and moving objects, confined spaces, PPE and hygiene.

Successful participants will have achieved competency under "Element of Shipboard Safety" course which is recognised and given significant credit as a pre requisite if choosing to progress onto Coxswain Certification that allows them to take command of a commercial vessel up to 12 metres in length and operating up to 15 nautical miles to sea. Industry experts have been giving presentations and an insight into the oyster industry and other associated services and how best to gain employment or increased opportunities.

Many employees are restricted to manual labour positions within this industry as they do not have the qualifications to undertake more advanced areas of operations, such as boat command and operations. As a result many employees become disillusioned and leave the sector. To have these additional skills allows for a more varied work environment for participants, increasing retention rates, as well as providing options for employers. This project offers:

- › Engagement and motivator activities to enable further education or employment opportunities.
- › Experience to those lacking confidence with machinery or industry roles and responsibilities.
- › Opportunities to discover personal strengths and set realistic goals and timeframes for achievement.
- › Relationships with role models and peers.



*Participants practicing their survival at sea skills*

### *Agrifoods*

The Eyre Peninsula is 1 of 4 regions in Australia chosen for the rollout of the AgriFood Skills National Regional Initiatives.

A recent Agrifoods Summit facilitated Eyre Peninsula Skills and Workforce provided the opportunity for the regions key industries and Local Governments to meet face to face and listen to each other's current and future workforce needs. The input provided by the participants and the invited speakers highlighted many improvements and innovative solutions to attraction and retention strategies and industry related training models so that skill sets are developed that are relevant to the Eyre region.

A key outcome was for the need for cross-industry training tailored to industry demands in the key areas of mining/exploration, farming and fishing/aquaculture and Local Government.

Many of the cross industry skills shortages appear in the recent report commissioned by the Fisheries Research Development Corporation (FRDC) - "Linking careers research and training - a pilot for the seafood industry":

- › Assistant Engineer (boilermaker).
- › Cook (orders product and prepares food).
- › Marine Engineer (mechanic).
- › Shore Manager (logistics).
- › Dive Medical Technician (first aid and emergency treatment).
- › Farm Manager (farm operations).
- › Leading Hand (farming duties and supervisor).
- › Truck Driver (vehicles and forklifts).
- › Plant Supervisor (maintains, plant and vehicles, including refrigeration).
- › Loading Supervisor (transport and logistics and coordinates the truck drivers).
- › Administration Officer/Receptionist (variety of administrative tasks including reception duties).
- › Payroll Administration Officer (processes employees pay and maintains employee record-keeping).
- › Accounts Officer (manages invoices, makes payments and maintains files)
- › Compliance Officer (manages workcover rehabilitation, advises on accident prevention and minimisation of health risks).
- › Human Resources Manager (provides support and administrative services to assist the recruitment and employment needs of staff).
- › Financial Controller (manages the finances and oversees the administration of the organization).

It is recognized that with tailored cross industry training there is the opportunity for sharing workers locally, and making a better use of resources, such as skills industry training centres and community resources.

Cross industry training shall also meet the aspirations of participants and the use of the CDS and other survey resources to capture this intelligence will be used.

This project is one component of a larger program and is delivering a Training Program to 15 tuna industry workers in the Port Lincoln area in skills required by Viterro for employment as casual harvest staff.

In consultation with the grain industry, it was agreed to deliver training in skills sets such as:

- › Working in confined space.
- › Working at heights.
- › Work zone traffic management.
- › Chemical handling or CHEM CERT.
- › Dangerous good transport.
- › Fire awareness.
- › Forklift.

- › Rail card.
- › First aid.
- › Supervisory skills (combined with 12).
- › Leadership (see 11 above).
- › WH&S or CI construction industry card.
- › Interpersonal Skills/Customer Service.
- › Computer skills.

Car and truck licence (HR, HC, MC) may be added to the training if found necessary.

### Programs Delivered in the Whyalla Region

#### *Employment Access Fund*

The Employment Access Fund (EAF) provides funding support to individuals who require training or other assistance as a pre-requisite to employment. The fund is designed to assist unemployed jobseekers overcome final state hurdles to employment including access to accredited and non-accredited training, pre-requisite tools, personal protective equipment, licences or tickets.

#### *Pre-employment Industry Cluster Program*

The Pre-employment Industry Cluster (PEIC) Program is designed to assist in creating job-ready and qualified candidates to local industry. Accredited training combined with mentoring, career development sessions, work experience and post-placement support give participants the best opportunities to meet local industry skill shortages and employment needs in alignment with industry standards. These sectors in Whyalla include Aged Care and Health, Resources and Infrastructure, Business Administration and Retail, and Civil Construction.

#### *Youth Exploring Potential*

RDWEP in partnership with the Department of Education, Employment and Workplace Relations (DEEWR) have funded an expanded youth project known as 'Youth Exploring Potential' (previously called Jobs West). The initiative will target 60 Aboriginal and non-Aboriginal people who are currently in secondary education or disengaged from learning or work, and those who are transitioning from school to further training and employment.

Components of accredited training will be delivered depending on individual aspiration. This process will be designed through the development of personal development plans which include a defined training pathway. Other elements will include life skills, with a focus on building of confidence and self esteem. Providers will ensure work experience placements are coordinated and part time work opportunities are achieved as a pathway to full time employment. The goal is also to ensure country young people have the opportunity to explore tertiary pathways. The project model aims to develop participants who can be employed for attitude and trained for skill.

All participants will have the opportunity to participate in career development and planning, supported work experience and a range of entry level training. Outcomes will include:

- › Greater confidence and employability skills in young people.
- › Young people are aware of and can clearly articulate and access apprenticeship and traineeship pathways.
- › Increased understanding about, and active linkages to opportunities for education, training, employment and other support options or opportunities within communities, with the support of families.
- › Greater cultural awareness amongst employer groups and training provider.

### *Connecting Families*

Connecting Families is a cross regional project that utilises the foundation model of Building Family Opportunities. This cross regional project works in partnership with RDA Far North, Flinders and Yorke and Mid North. DEEWR have contributed funds to support this project across Port Augusta, Whyalla and Port Pirie.

Research identified the demand for such a program, showing that over 1 in 4 (27%) of families with children in Whyalla were without an employed parent, compared with 1 in 5 (20%) of families across South Australia.

The program aims to work with families in Whyalla regarding barriers to participation and employment. The connection to the family unit originates with an individual referral and expands to deliver service to the immediate family. The program aims to break the cycle of long term family joblessness through the provision of intensive case management. The program will bring together long term jobless families, local community organisations, government, and employers to find solutions to complex issues that prevent families from participating in employment.

Case Managers will work with families proactively over an 18 month period. Over this time the case manager may advocate on the behalf of the family, setting up appointments, finding housing, addressing parenting, mental health issues, transport problems, caring responsibilities, drug and alcohol issues, school attendance, domestic violence, debt and budgeting. Literacy, numeracy and computer literacy support, non-accredited training, accredited training, career information and planning, practical material assistance, brokerage into jobs and post placement mentoring are all made accessible for participant families.

This initiative provides a chance for every participant to improve their position by overcoming barriers to participation and employment. If engagement can commence within families and capture those at a young age then we are likely to promote a culture of lifelong learning to the new generation.

### *Whyalla Career Development Centre*

The Whyalla Career Development Centre (CDC) provides quality, flexible and responsive career planning support service for people in Whyalla. The centre targets people who have limited education, training experience and those looking to expand their career options. The CDC assists in resume building, career planning and provides information on industry demands and trends. Links to volunteering opportunities is explored to help install good work practices, ethics, confidence and skills as prerequisites for employment. Referral and links to appropriate support agencies such as health, housing, welfare, drug and alcohol services is utilised when appropriate. The centre also provides direct links to work experience and employment opportunities and provides a vital strategic and operational link between industry, employers, service deliverers, educational institutions and training providers to help connect participants in a demand driven environment to activities, which builds local economic development.

### *Vocational Training Transition Program*

This program was developed to provide accredited skill set training to Adult Community Education program participants who are transitioning from Adult Community Education pathways to Skills for All training.

### *Heavy Industry Training Program*

RDAWEP with funding support from DFEEST via Skills for All in Regions, DEEWR via Flexible Funding Pool and Industry Sponsorship as well as support from local industry offered a Heavy Industry Training Program, which commenced in late February 2013. The Heavy Industry Training Program was designed to support 28 local unemployed people into heavy industry focused pathways and employment while providing local industry with a much needed human resource pool they require. The project provided 15 weeks of full time intensive skills and personal development training to unemployed people.



*Tafe SA Education Manager Jeff Bland presents participant Kaisha Champion with her certificate*

Participants were trained in a variety of 'hands on' heavy industry skills and personal development skills so they are job ready on completion of the program. Participants studied the components of Certificate II in Engineering in addition to a number of relevant licences and tickets such as working in confined spaces and at heights. The program also included personal development and mentoring, with rigorous drug and alcohol testing to ensure participants are job ready on completion. A partnership was developed with local industries to provide program participants with work placements to best position them to take advantage of the increasing number of vacancies in Whyalla.

A graduation for course participants was held on 4 July 2013. All participants have received assistance in applying for work or further study options and there has already been some positive employment outcomes as a direct result of the program.

### *Certificate II in Driver Operations*

A driver's licence is a crucial tool in accessing further education, training and employment and also in contributing to community life. This cross regional program is designed and implemented by Allied Programs. The project consolidates the areas required to obtain Certificate II in Driving Operations in addition to receiving professional driver training. Participants received classroom based training, vehicle driving, mentoring and encouragement to complete the qualification and driving training hours.

### **Programs Delivered Across Whyalla and Eyre Region**

#### *Work Exposure*

The Work Exposure project is based on the Work Inspirations model created to enable young people to explore career possibilities within participating industries through a structured and multi-faceted work experience program.

Work Inspirations is a UK national employer led campaign to make the first experiences of the world of work meaningful and inspiring. It delivers a clear message to businesses to build their talent pipeline through work experience - making the world of work more accessible and improving social mobility - promoting quality work placements delivering a positive impact for students and the employees who interact with them.

More than 500 companies are part of Work Inspirations including organisations such as British Telecom, Royal Mail, McDonalds, Bentley, Cadbury, Starbucks, The Sunday Times, Channel 4, BAE Systems, Rolls Royce, and Manchester Airport.

In Australia the reticence of industry navigating its way through risk analysis in a tightened legislative context, to give work experience participants the opportunity to fully understand all aspects of the workplace and therefore be motivated to open career paths, leads to work experience placements seen as a burden on industry productivity and a bore for non-active work experience participants.

Placements where work experience participants are relegated to menial tasks or no tasks combined with companies who need to employ and need to secure the future of their workforce but are unable to cultivate a motivated pool of new talent is widening the gap in the traditional work experience system.

Implementing an adapted work experience model to our local environment ensures a new and sustainable way to address barriers to work experience across the region. The "Work Exposure" project has been designed to overcome problems relating to work experience including:

- › Narrow markets.
- › Lack of Industry support.
- › Unsupported links to employment.
- › Inefficient timing for industry peaks and troughs.
- › Concerns with legislation, workcover and liability.
- › Understanding of industry, roles and responsibilities.
- › Matching of suitable candidates.
- › Increasing workforce participation outcomes.

### *Wheels in Motion*

The “Wheels in Motion” model builds upon the previous year’s program “Geared to Succeed”, which obtained good participation and outcomes.

The City of Salisbury has developed and proven a low cost driving model which has improved long term cost effectiveness.

Eyre and Whyalla Regions are replicating this model and adapting it to their respective regions with support from the Councils of Port Lincoln and Whyalla.

The Wheels in Motion project aims to deliver a sustainable solution to the lack of driver’s licences in the region. Due to the geographical size and dispersion of population across Whyalla and Eyre this option of transport is often a barrier to training and employment.

One of the largest challenges of the program, and a critical factor to keep the costs down has been to negotiate donor cars from sponsors. In Port Lincoln, the Port Lincoln Community Bank has kindly donated a vehicle. An enthusiastic crowd attended the recent launch of the program.

It is often a challenge for parents in the region to assist their children to gain sufficient driving hours as a Learner Driver to qualify for their Provisional Licence. This challenge is much greater for many disadvantaged community members who do not have access to either a suitable vehicle or a licenced driver to help them.

It is estimated that more than 200 disadvantaged people in Port Lincoln will benefit from this project which is funded by the South Australian Works in the Regions program, and has been developed in conjunction with RDAWEP and partner Eyre Futures Inc.

The success of the project is also reliant on the recruitment of suitable volunteers to be trained as Driver Mentors. Following successful screening and training Driver Mentors are matched with a Learner Driver and supervise their driving hours in the new Port Lincoln Community Bank car. We continue to welcome enquiries from prospective Driver Mentors.



*From Left to Right: Peter Treloar (Member for Flinders), Peter Mitchell (RDAWEP), Mike Munro (Deputy Chairman, Bendigo Bank), Phil Channon (Manager, Bendigo Bank), Garry Downey (Project Coordinator, Wheels in Motion), Kim Conway (Driver Mentor) and Greg Brook (Driver Mentor).*

### *Skills on Eyre*

This is a repeat initiative to continue to identify services and training providers across the Whyalla and Eyre region through the provision of a portal to share training information. This information is being used to provide the link between providers, participants and industry. With the links to activity being maximised, duplication of service in the region is minimised.

Industry is encouraged to navigate the various supports, resources and agencies that can assist in recruiting a skilled workforce. SkillsOnEyre is a directory that is a web based tool that displays a calendar and list of course information, which is accessed and updated by providers. There is an ongoing maintenance fee that which will be funded by providers into perpetuity.

The second stage of this project is to incorporate a centralised database for reporting and sharing information regarding participants, work experience opportunities, employer and participant blogs as well as assuring the prototype is a functional tool.

This service is available to anyone via the internet to:

- › Provide a tool to encourage pathways to training and employment.
- › Scope data on industry and workforce to improve regional economic development.
- › Increase the capacity of local services to meet workforce and industry skills.
- › Engage with local community regarding skills and workforce issues.
- › Reduce duplication of services and improve service delivery scheduling.

### **Whyalla Business Centre**

RDAWEP, with the support of the Whyalla City Council entered into a “Deed of Understanding” to transfer the business, financial management and legal responsibilities of the Whyalla Business Centre from the Upper Spencer Gulf Business Incubator Network to the Board.

The Whyalla Business Centre provides fully serviced offices, meeting rooms and training facilities to the community, private and public organisations, with the provision of in-house reception services, business advice and networking support from other businesses operating at the centre.

The centre functions to encourage new business establishment and support established businesses who seek to expand their operations in the region. In addition, the centre incorporates a small business incubator program designed for new and emerging businesses to support and accelerate and growth during the start up period.

A new business model and business plan for the operations of the Business Centre including office, workshop and conference room hire for the period 1 July 2012 to 30 June 2015 was developed and supported with a comprehensive marketing plan.

During the 2012-13 financial year, the Business Centre held a good mix of business occupants. At June 2012, there were 3 core occupants, leaving 6 office and workshop vacancies. A marketing campaign was launched and resulted in attracting 4 new businesses to the centre, leaving only 1 office vacant at 1 July 2013. Tenants ranged from not for profit community organisations, career development, disability and job network services, research and development, surveying, automation and window tinting businesses.

Venue hire within the complex incorporates 3 training rooms, a boardroom and conference room, which have been well utilised and attracted large numbers of attendees to the facility during the period. In 2012 there was a record number of training room bookings, with a total of 472 days of training being provided, attracting a minimum of 5,124 visitors to the facility. The first half of 2013 has already seen a total of 244 days of training room bookings to date, attracting 1,687 attendees.

## Innovation

Innovation is the key to the future success of many of the region's business enterprises. The Board's Business Development Advisors, Food Industry Development Officer and Tourism Development Manager are integral in supporting and promoting programs that build on the region's key advantages and facilitate bringing new products to market.

Staff work with Government partners in providing referrals and assistance with programs such as Commercialisation Australia, Enterprise Connect, Tourism Industry Regional Fund (TIRF), Export Market Development Grant (EMDG) and the Research and Development Tax Concession program.

## Regional Partnerships and Consultation Network

RDWEP has established an extensive stakeholder consultative structure to ensure that it is fully informed about regional issues and needs and can respond appropriately. This consultative structure has been developed over many years, from previous operation as the Eyre Regional Development Board (ERDB) and Whyalla Economic Development Board (WEDB). The consultative structure is comprised of Target Teams, a Regional Consultation Network, and a Business Development Program.

### Target Teams

The Target Teams are the primary mechanism for consulting with industry across the region. Three industry-based Target Teams have been established and operational during the year.

The Tourism Target Team was established in 2009 to support the development of the ERDB Tourism Plan. The Agriculture Target Team was formed in 2011 to replace the ERDB Drought Target Team, which had fulfilled its role during the regional drought crisis of 2009-10. A Whyalla Target team was established in July 2012 with the key aim of assisting development of economic and community infrastructure in Whyalla and the surrounding region. The members represent a breadth of interests within their specific industry sectors. The Target Teams are therefore able to provide the best possible information about the issues and needs of industry, particularly on matters concerning skills shortages and gaps, training, employment and workforce development. The Target Teams are also able to provide the best possible advice concerning the infrastructure needs of their sector and assist with the determination of development initiatives and delivery strategies.

With the exception of the Whyalla Target Team, which has a city of Whyalla focus, the Target Teams have a whole-of-region focus with membership drawn from many townships across the region. RDWEP Board Members are represented on most of the Target Teams, which are facilitated by RDWEP staff. The Target Teams provide advice and recommendations to the Board through minutes and reports tabled at RDWEP Board meetings.

The RDWEP target team structure will be enhanced by renewal of the Eyre Peninsula Business Target Team and The Fishing and Aquaculture Target Team during 2013-2014.

### Tourism Target Team - Sub-regional Groups

As part of the implementation of the RDWEP *Eyre Peninsula Tourism Destination Management Plan* the Tourism Target Team was enhanced through the creation of sub-regional groups in June 2013. 5 sub-regional groups have been formed for the west coast, lower Eyre, eastern Eyre, central Eyre and Gawler, and the far west and Nullarbor regions. The purpose of the sub-regional groups is to encourage greater levels of industry and community input into the tourism planning and decision making process.

The sub-regional groups include representation from existing Target Team members, RDWEP Board members, tourism operators, business and tourism associations, Local Government, visitor information centres, Aboriginal organisations and Government agencies, comprising approximately 60 members.

### *Business Development Program*

RDAWEP Business Advisory Services conduct an extensive needs-based business development program across the region. The program provides training and skills development workshops to address business needs. The business needs are identified through verbal, written and web-based electronic surveys to ensure that the workshops meet the expectations of business owners and managers. This process provides another information source to RDAWEP regarding issues and needs impacting the small business and retail sectors. The workshop program is additional to the Eyre Peninsula Business Target Team which was formed to provide business owners with a collaborative voice to ensure that their needs are addressed in RDAWEP business development and regional planning.

### *Regional Consultation Network*

RDAWEP Board members and staff participate on various groups and committees to ensure that the organisation is informed about the changing circumstances, needs and planning initiatives of different agencies and Government departments. The stakeholder consultation network maintains cross-sectoral partnerships and provides RDAWEP with ongoing intelligence from an intra and cross agency perspective. The stakeholder network has the advantage of Government agency participation, thereby providing regional organisations with direct lines of communication to Government departments and policy makers. Information derived from the consultative structure provides the primary source of local intelligence about regional issues, needs and opportunities, which is incorporated into RDAWEP planning.

Stakeholder engagement during 2012-13 was extensive. During this period RDAWEP either conducted or participated in more than 250 significant consultations with community and Government stakeholders via different methods including meetings, focus groups, presentations and large scale expos.

In addition, numerous ongoing consultative meetings were held as required with Government and non-Government agencies and the private sector. Key groups in the regional consultation network include:

<b>NETWORK GROUP</b>	<b>PRIMARY PURPOSE</b>
<b>Regional Employment Network</b> Government and non-Government agencies in the Eyre Peninsula and Whyalla.	Meet formally and informally to plan and implement employment skills and workforce development initiatives, including project partnerships and the joint funding of training and skills development programs.
<b>Upper Spencer Gulf Common Purpose Group (USGCPG)</b> RDA Whyalla and Eyre Peninsula, RDA Yorke and Mid North and RDA Far North; the CEOs and Mayors of the cities of Whyalla, Port Augusta and Port Pirie, University of SA and SA TAFE Regional.	A collaborative venture to provide leadership and a common front for the implementation of initiatives to address key economic and social issues in the Upper Spencer Gulf (USG) region including actions to achieve a sustained turnaround of the USG economy and improve the quality of life of USG communities.
<b>Eyre Peninsula Regional Facilitation Group</b> A State Government initiative in 2002 to facilitate regional improvements through inter-agency communication, coordination and cooperation at a senior management level.	To achieve targeted service delivery, optimise resource allocation, reduce service duplication and address the regional priorities identified in the South Australian Strategic Plan.
<b>Eyre Peninsula Water Security Reference Group</b> Comprising SA Water, DEWNR, EPNRM Board, RDAWEP, Local Governments and EPLGA. Meets annually (or as required).	Formed in 2007 as a reporting mechanism to the community about matters related to water security and usage and the condition of prescribed groundwater resources.

**Table : Regional Consultation Network and Primary Purpose.**

NETWORK GROUP	PRIMARY PURPOSE
<p><b>Marine Parks Advisory Group</b> Formed in 2010 by representatives from all sectors of the regional fishing industry.</p>	Provide industry-based advice about the South Australian Government plan to establish Marine Parks around the coast of Eyre Peninsula and the potential economic impact on the industries and coastal communities that rely on fishing for their economic sustainability.
<p><b>Eyre Peninsula Integrated Climate Change Agreement (EPICCA)</b> Formed in 2010 by an agreement between the State Government, EPNRM Board, RDAWEP and the EPLGA.</p>	Developing a cooperative approach to initiatives to address climate change in the region. EPICCA is currently working on a major climate change adaptation plan for the region.
<p><b>Whyalla Development Focus Group (WDFG)</b> Representatives from <b>State Government:</b> DPTI, PIRSA, DMITRE and the Urban Renewal Authority; <b>Private Sector:</b> Santos, BHP Billiton, Port Bonython Fuels and Flinders Ports; and <b>Community Governance Sector:</b> Mayor of the City of Whyalla and RDAWEP Board.</p>	Acts as a conduit for communications between the Whyalla community, the private sector and the State Government about development and other matters in Whyalla and surrounding areas. Input from the general community is provided via the Whyalla Community Consultation Group.
<p><b>Eyre Peninsula Local Government Association (EPLGA)</b> Comprised of the 11 member Councils in the region. (The EPLGA is based in the RDAWEP Port Lincoln office ensuring ongoing cooperation and consultation between the organisations).</p>	Provide a cohesive viewpoint, strong voice and forum for cooperation to assist in the delivery of local government services across the region. This includes engagement with and the development of partnerships with State Government, industry, the community and RDA to promote the economic and social prosperity the region.
<p><b>AgriFood National Regional Initiative</b> A Regional Advisory Group comprised of representation from PIRSA, the EPLGA, RDAWEP and the seafood, mining and agricultural industries.</p>	An 18 month Australian Government funded program (established in 2013) to drive sustainable skills development and employment in the primary industry sector (agriculture and mining).
<p><b>Tumby Bay District Community Consultative Group (TBDCCG)</b> A community-based consultative group formed in January 2013 comprising residents of Tumby Bay district, DC Tumby Bay, mining companies with an independent Chair from RDAWEP.</p>	Provide a community forum for the discussion of major development and other projects in the Tumby Bay district and providing community comment and feedback on planning, development and other issues to government agencies, private sector developers, RDAWEP and the District Council of Tumby Bay.

Table : Regional Consultation Network and Primary Purpose.

### Upper Spencer Gulf Place-Based Strategy for Regional Transformation

The Upper Spencer Gulf (USG) region comprises the regional cities of Port Pirie, Port Augusta and Whyalla and traverses the 3 RDA Committee areas of Far North, Yorke and Mid-North and Whyalla and Eyre Peninsula.

Economic and social planning is undertaken in the USG by the 3 levels of Government – Local, State and Federal. Strategic planning is undertaken by the Upper Spencer Gulf Common Purpose Group (USGCPG), which is a collaborative, not-for-profit organisation that brings the Port Pirie, Port Augusta and Whyalla Councils together as a united front to address economic and social issues and opportunities.

In recent years the USG has experienced resurgence largely due to the growth and development of the mining and resource processing sector and the potential flow-on opportunities that might be derived from industries providing aligned support services.

The USGCPG has long been concerned about the potential loss of major industries and service providers in each of the 3 regional cities and the opportunities that might arise from mining, manufacturing and renewable energy developments.

As part of the process to address these issues the USGCPG supported a South Australian Government application for \$1.5 million from the Regional Infrastructure Fund for the development of infrastructure master plans for the USG and participated in the process to develop a place-based approach for the future transformation of the region.

A Memorandum of Understanding (MOU) for a place-based strategy was signed by the 3 levels of Government on 25 September 2012 to facilitate the development of coordinated, strategic, and cooperative arrangements for the USG including a governance framework to support its implementation. The governance framework included the establishment of an Upper Spencer Gulf Alliance to provide leadership and high-level oversight of the MOU. Alliance members include the Commonwealth Minister for Regional Australia, Regional Development and Local Government; the South Australian Minister for Regional Development; the President of the Local Government Association of South Australia; and the Mayors of Port Pirie, Port Augusta and Whyalla.

An Upper Spencer Gulf Working Group (USGWG) was also established as the key body responsible for the MOU implementation. The USGWG includes high-level officers from the Commonwealth Department of Regional Australia, Local Government, Arts and Sport; the South Australian Department of Primary Industries and Regions (PIRSA); the Local Government Association of SA; the USGCPG, RDA Far North, RDA Yorke and Mid North and RDA Whyalla and Eyre Peninsula; the CEOs of the cities of Port Pirie, Port Augusta and Whyalla; the Outback Communities Authority, the Eyre Peninsula Local Government Association and the Central Local Government Region of South Australia.

The principle underlying a place-based approach is that the region must proactively analyse its own economic conditions and determine solutions to suit the local conditions, and then communicate these to Government so that implementation can be assisted. In this instance the MOU recognises the USG as being in transition, i.e. the regional economy is heavily dependent on traditional manufacturing and high carbon emitting industries which are presently in decline. Future economic success is therefore likely to depend on the region's ability to transform from the present manufacturing base to a diversified, high technology manufacture and service based economy.

In February 2013 the alliance prepared an *Upper Spencer Gulf, Place-based Strategy for Regional Transformation* inclusive of action plans based on the five key determinants of long-term regional economic growth agreed by the Council of Australian Governments, Regional Australia Standing Council. The key determinants are: (1) Building the capacity of human capital; (2) Enhancing sustainable communities and population growth; (3) Improving access to international, national and regional markets; (4) Enhancing comparative advantage and business competitiveness; and (5) Building cross-sectoral and intergovernmental partnerships and integrated regional planning. The key action plan strategies are:

ACTION PLAN	KEY DETERMINANTS	KEY STRATEGIES
1:	<b>Human capital</b>	<ul style="list-style-type: none"> <li>• Increase access and rates of attainment for secondary and tertiary education students.</li> <li>• Strengthen pathways to employment through the VET sector.</li> <li>• Increase labour market productivity through targeted skills development.</li> <li>• Increase workforce participation by disadvantaged groups.</li> <li>• Build on existing work in workforce planning (for industries and regions) to meet emerging industry needs.</li> </ul>
2:	<b>Sustainable communities and population growth</b>	<ul style="list-style-type: none"> <li>• Plan for and provide adequate social infrastructure to attract and retain residents (e.g. arts, sports, community).</li> <li>• Continue to strengthen amenities provided in the three cities to ensure healthy and resilient communities.</li> <li>• Ensure the region is prepared to adequately service permanent and transient workers, including affordable housing.</li> <li>• Adopt a place-based approach to 'Closing the Gap' for Aboriginal people in Port Augusta.</li> <li>• Invest in regional leadership and community capacity building.</li> <li>• Seek to maintain the region's environmental value through the adoption of broader strategic approaches to environmental protection.</li> </ul>

ACTION PLAN	KEY DETERMINANTS	KEY STRATEGIES
3:	<b>Access to international, national and regional markets.</b>	<ul style="list-style-type: none"> <li>• Seek to maximise the benefits of the roll out of the National Broadband Network.</li> <li>• Improve access to accurate and timely information about markets.</li> <li>• Plan and coordinate infrastructure investment to maximise benefits for communities and industries.</li> <li>• Gather and collate evidence to support the investment case for targeted infrastructure enhancement and projects, including those in the energy, water, transport and telecommunications sectors.</li> <li>• Provide competitive transport infrastructure to facilitate export activity.</li> </ul>
4:	<b>Comparative advantage and business competitiveness</b>	<ul style="list-style-type: none"> <li>• Support regional business to build SME capability and capacity.</li> <li>• Build business cluster capability.</li> <li>• Build the capacity of local suppliers to meet tendering requirements of the mining sector (i.e. assistance with pre-qualification).</li> <li>• Encourage business investment in the three Upper Spencer Gulf cities.</li> <li>• Provide infrastructure which supports business development and economic diversification.</li> <li>• Build on the region's comparative advantage in renewable energy.</li> </ul>
5:	<b>Cross-sectoral and intergovernmental partnerships and integrated regional planning</b>	<ul style="list-style-type: none"> <li>• Encourage better understanding of the benefits of integrated planning processes, incorporating all spheres of government and industry in managing regional development in the Upper Spencer Gulf.</li> <li>• Integrate planning for mining related infrastructure, taking into account the needs of other significant industry sectors and environmental and community sustainability.</li> <li>• Build an accurate and up-to-date social-economic profile of the region.</li> <li>• Investigate a more holistic governance approach for managing the Upper Spencer Gulf cities.</li> </ul>

The Place Based Strategy Actions Plans are in the process of being progressed and this will continue well into the future. Some of the key projects in the RDAWEP region include:

### *Regional Mining and Infrastructure Plan*

In partnership with RDA Far North, RDA Yorke and Mid North and the South Australian Government, RDAWEP supported a South Australian Government application for \$1.5 million from the Australian Government Regional Infrastructure Fund for the preparation of a Regional Mining and Infrastructure Plan (RMIP) for the Upper Spencer Gulf and 3 RDA regions.

The RMIP objective is to identify infrastructure solutions to maximise the net benefits to South Australia by improving connectivity to and from existing mines and reducing infrastructure related risks for new mining enterprises. The RMIP has built upon the findings of a State Government Infrastructure Demand Study in 2011 by considering the drivers and impediments to mining project development in order to prepare realistic mining infrastructure demand scenarios underpinned by macroeconomic drivers.

The RMIP findings and recommendations will be critical to future infrastructure investment solutions in the RDAWEP region. At the time of preparing this Annual Report, the interim project reports for each RDA region had been through the stakeholder consultation phase and the final reports were being prepared.

### *Whyalla Airport*

The Whyalla Airport requires a substantial upgrade to improve its operational effectiveness and cater for increasing passenger use from the mining, tourism, defence and business sectors. The City of Whyalla has considered a range of master planning options for the airport development over many years.

The Whyalla Airport upgrade was accelerated in 2013 when the Council, with assistance from RDAWEP, successfully obtained a \$300,000 grant from Round 3 of the RDAF for the refurbishment of the Whyalla Airport terminal.

### *Natural Gas Supply to Upper Spencer Gulf*

Whyalla is the only town in the region with a natural gas supply. The gas is supplied from the Moomba to Adelaide pipeline via a lateral line passing through Port Pirie. The lateral gas pipeline is sufficient to meet the existing needs of industry at Whyalla but demand is likely to increase in forthcoming years as businesses look to achieve more efficient means of operation. The pending establishment of new mining and industrial enterprises in the USG will also drive the demand for increased gas provision.

The capacity of the existing gas supply line is a deterrent to industrial expansion and economic growth at Whyalla because some proposed industrial initiatives may not proceed if the gas supply is not increased.

Studies commissioned by the USGCPG in 2004 and 2011 found that business enterprises have been reluctant to commit to upgrade gas infrastructure because of the multi-million dollar cost, and that government should have a role in the infrastructure provision because of the resulting economic benefits to South Australia as a whole. The infrastructure negotiations are presently at a standstill while the State Government and relevant agencies investigate options for the future gas provision.

### *Integrated Production Systems for Renewable Transport Fuels*

The project aims to investigate commercial scale processing methodologies for the conversion of different feed stocks into biofuel.

A key aspect of the project is to develop an integrated demonstration plant for the manufacture of renewable liquid transport fuels. The integrated biofuel plant would serve as a hub for the development of renewable energy technologies and low carbon manufacturing in South Australia. In the first instance, 3 major feed stocks would be used, namely microalgae biomass, wheat straw and agave, but it is envisaged that the plant will be sufficiently flexible to accept different feed stocks in the future.

Liquefaction technologies will be combined for the conversion of biomass to fuels. Wind and solar power will also be integrated into the production system, with potential to add biomass conversion to alcohol at a later stage. Within this larger project, a significant research and development component will focus on seeking solutions to engineering and processing problems that are presently slowing the development of economically viable biofuel industries in Australia.

A second aspect of the project will investigate logistics and establish commercial scale trials of a range of feed stocks, including agave, guar, wheat straw, weeds and other common plant materials. The estimated project cost is \$10.82 million.

Successful trials and technology development would lead to the establishment of large scale production sites throughout the USG and Eyre Peninsula region. In the longer term a successful project would lead to a new renewable energy industry and provide significant employment and business opportunities in the region.

### *Muradel Biofuel Demonstration Plant*

Australian company, Muradel Pty Ltd, is developing a commercial scale demonstration site to produce sustainable biofuel from microalgae. A pilot plant at Karratha provided promising test results. The company has reached agreement with Whyalla City Council to establish a demonstration production facility in Whyalla. The project aims to refine the production process for liquid biofuel and demonstrate commercial scale business viability.

Whyalla was selected for the demonstration plant because of the climate conditions, available flat and non-arable land, abundant seawater, established transport infrastructure, and availability of skilled labour. Demonstration trials will occur during 2013-14 to identify the most cost efficient method to produce biofuel to compete with existing fossil-derived products and reduce carbon emissions. The green crude can potentially be refined to produce liquid fuel equivalent in engine performance to fossil-derived diesel, petrol or jet fuel.

Muradel was incorporated in 2010 as a joint venture between Murdoch University, Adelaide Research and Innovation Pty Ltd and commercial partner SQC Pty Ltd. Muradel's technological development is strongly supported by scientific and research staff from Murdoch University and the University of Adelaide.

Muradel has developed an efficient, high recovery, low energy harvesting technology that is arguably the most economic in the world. The plant will incorporate technology that enables the continuous, sustainable production of green crude from microalgae at a scale that is achievable in the Whyalla region without impacting on existing agriculture or mallee bush land.

The estimated total project cost is \$10.7 million. A grant of \$4.4 million has been provided from the Australian Renewable Energy Agency (ARENA).

### *Port Bonython Fuels*

The Port Bonython Fuel Terminal project will provide a new fuel supply gateway for the northern and western regions of South Australia. A secure diesel supply is critical to many expanding industries including mining and construction, agriculture, marine, transport and defence. Timely and reliable supplies of fuel are essential for efficient and effective business operations.

Port Bonython has been identified as a site with suitably deep water and facilities for berthing and offloading ships carrying in excess of 100,000 tonnes of hydrocarbon fuels. The project involves construction of liquid hydrocarbon fuel handling, storage and distribution facilities. The initial stage will focus on delivering up to 1 billion litres of diesel annually to meet growing fuel requirements of the region.

The project is owned by Port Bonython Fuels Pty Ltd, formally a subsidiary of Senex Energy Limited which was sold to Mitsubishi Corporation during 2012. The initiative will be a natural fit with Mitsubishi Corporation's petroleum products trading strategy and will be highly beneficial for the project.

### *Port Bonython Deep Sea Port*

A new deep sea port facility suitable for export of bulk minerals and commodities has been proposed at Port Bonython by the Spencer Gulf Port Link Consortium which would construct and operate the facility. The consortium is comprised of Flinders Port Holdings, Leighton Contractors, Macquarie Capital, BIS Industrial Logistics and the Australian Rail Track Corporation.

The facility would be capable of servicing Cape class (180,000 tonne) vessels and has an estimated cost of \$650 million. The project includes a 3km jetty with conveyor system and a 27km rail line connecting the port to the national standard gauge rail network. Approximately 400 staff will be required for the 2.5 year construction phase.

The South Australian Government granted major project status to the consortium's plan in March 2012. This triggers a rigorous development assessment process, which is also recognised by the Australian Government under Environmental Protection and Biodiversity Conservation law. In August 2012 Governmental guidelines were issued for the Environmental Impact Statement (EIS) to be undertaken. The EIS could take up to 18 months, but the South Australian Government will ensure the project meets all the requirements prior to construction.

The Consortium is presently working with mining companies to define the timing of mine developments and the likely commodity volumes to be exported.

### *Nonowie Port Proposal*

A new deep sea bulk export port facility has been proposed at Nonowie, approximately 25km south of Whyalla. The site provides access to a large area of deep water (20m) within 6km of the shoreline with deep water channels to enable safe ship movement.

The site is also adjacent to an extensive area of undeveloped land with no current economic usage and low environmental quality, which could be developed for a range of supporting infrastructure, storage facilities and value adding industries. The site could be also connected to rail and road infrastructure by the construction of links to existing corridors.

Preliminary investigations have been undertaken by a locally based working group with mining, materials handling and manufacturing industry experience. In April 2012 the Whyalla City Council lodged a statement of intent to the South Australian Minister for Planning for a Development Plan Amendment (DPA) for the site. The response contained extensive submissions from a number of agencies, which raised concerns relating to the proposed DPA.

The Department of Planning Transport and Infrastructure advised Council that it must revise the Statement of Intent to address the issues raised in agency submissions. Subsequent to this advice the Whyalla City Council deferred further action on the project indefinitely.

The location and proposal has not yet received any support from mining or resource processing companies operating or planning operations in the region. This may be due to a lack of awareness of the proposal, location and its benefits by these companies.

### *Middleback Theatre Refurbishment*

The proposed \$8 million Middleback Theatre Refurbishment project will renew and upgrade the facilities of the Middleback Theatre performing arts centre and Whyalla Cinema. The project incorporates new indoor and outdoor performance spaces, an "A class" art gallery, audio and visual technology upgrades, digital equipment to enable 3D Cinema screenings, replacement of air conditioning, improvements to the entrance and foyer, and expanded conference, display and catering facilities.

Built in the early 1980's with minimal refurbishment and technology upgrades undertaken since that time, the building and facilities are aged and worn, with outdated technology, equipment and substandard car parking. The project will establish a state of the art community centre incorporating performing arts, static display and entertainment areas servicing the entire Eyre Peninsula region.

The project will increase utilisation of the centre, enabling hosting and attraction of additional community events, live performances, displays and conferences.

The project will improve disability access and is primarily being undertaken to improve amenity for the community. The upgrade is also critical in assisting with workforce attraction and retention in Whyalla and the surrounding region. The project will enable larger and more frequent events such as conferences to be undertaken in Whyalla, attracting new visitors to the region.

### *Whyalla Retirement Living Accommodation*

There is currently limited availability of high quality retirement accommodation in Whyalla. As the population ages and higher numbers of people reach retirement age, the demand for improved and different types of accommodation is likely to increase. If demand is not met the likely outcome is that older Whyalla residents will be forced to seek accommodation elsewhere and leave the city.

The project will establish high quality accommodation facilities for older people who have an active lifestyle and are capable of living independently, but wish to move to a smaller home. Some specific services may be required, e.g. support for those who are close to or seeking early retirement, and the provision of home maintenance, security and minor health services. 2-staged investment is anticipated at a project cost of \$5-45 million.

### *Whyalla Regional Tertiary Education and Research Precinct*

The project will develop an enhanced and expanded tertiary education, training and research precinct and incorporate renewable energy training facilities. It may also incorporate the construction of a new building. The project will commence with an assessment of existing programs, an evaluation of current and future industry and community needs, a gap analysis and the identification of potential service providers.

The project will enable enhanced development of the specific skills required by industries operating in the region. This may incorporate mining, electrical and civil engineering, geology and mineralogy, resource processing, manufacturing (including processes to reduce energy use by industries highly dependent on fossil fuels), renewable energy technologies, logistics, building and construction, medicine and health care.

The project aims to enhance the development of a skilled future workforce for the region and contribute to both workforce attraction and retention. The precinct will hopefully attract students from surrounding regions as an alternative to undertaking training in Adelaide or the eastern states.

### *Water Supply*

Water supply is arguably the most important issue impacting the future sustainability, growth and prosperity of the region. The Eyre Peninsula does not have abundant natural water resources. The potable water supply is largely drawn from isolated local groundwater aquifers, but is reliant on top-up supply from the River Murray.

SA Water operates and maintains the regional water system. Whyalla, Iron Knob and Kimba are connected to the State's water system from the River Murray. The southern and western parts of the region are supplied by a pipeline from groundwater basins. The 2 networks are connected between Kimba and Lock providing a mixture of water to the west of the region. In 2011-12 the Eyre Peninsula mains water consumption was 16.2GL, with approximately 1.7GL drawn from the River Murray.

The 2011-12 annual review of demand-supply projections indicated that, based on current population growth and potential climate change impacts, the demand for potable water is expected to exceed supply in 2020-2021 and the demand for all water resources, i.e. non-potable water used by industry, is not projected to exceed supply prior to 2050. These predictions are assessed annually.

Long-term sustainable water use is a key issue for the region. With forecast population increase and increasing water demand from industry there is growing community desire for the establishment of desalination plants to supplement the existing supply. It has been estimated that annual water demand for industrial use will increase from 30 GL in 2013 to 50GL in 2021. About 80% of this demand is for non-potable water and most of this supply will come from desalinated seawater.

The SA Water Long Term Plan has identified 2 supply options:

- (1) the adoption of supply efficiencies on the Iron Knob to Kimba pipeline; and
- (2) a small seawater desalination plant of about 2.5GL to supplement the groundwater basin supply network. SA Water's preferred location for the desalination plant is at Sleaford Bay, south of Port Lincoln.

The RDAWEP Board has identified the provision of desalination plants as one of the most critical needs in the region, but there are differing opinions about how many plants should be established and located. Some people want small desalination plants at different sites around the region for the provision of localised water supply.

Collaboration between the private and public sector might assist the desalination plant initiative. A condition for the development of mining ventures on Eyre Peninsula is that the mining companies must have a self-sufficient water supply and several desalination plants have been proposed for mining ventures across the region. SA Water is assessing water applications from mining companies on a case by case basis, including opportunities for mining desalination plants to provide a public water supply.

*Local Government Water Catchment Management Schemes*

Local Government across the region recognises the need for the sustainable use of water resources and has adopted a range of water catchment management and reuse strategies to minimise reticulated water consumption. These include the implementation of dual reticulation schemes for existing businesses and new residential developments and water recycling schemes in parks, reserves and sporting ovals.

There is no doubt that the State Government, SA Water, Local Government and other key regional stakeholders must commit to the provision of a long term, sustainable water supply for community and industry use. Desalinated water might not be cost effective with present technologies however it may be the only option for a long term sustainable water supply. Different desalination technologies need to be investigated to ensure provision of the most cost effective and efficient water infrastructure in the region.

## FINANCIAL REPORT



2012/2013

**FINANCIAL REPORT**

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30<sup>th</sup> JUNE 2013

Liability limited by a scheme approved under  
Professional Standards Legislation

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

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REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

INCOME STATEMENT  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	Note	This Year \$	Last Year \$
<b>INCOME</b>			
Hire of Plant		198.18	171.64
Insurance Recoveries		295.46	742.98
Interest Received	5	88,555.15	94,100.51
Interest Received Projects	6	64,088.53	69,464.41
Project Management	7	440,536.93	180,929.99
Capital Sales	8	40,000.00	3,272.73
		<u>633,674.25</u>	<u>348,682.26</u>
<b>OTHER INCOME</b>			
Administration Grants	3	1,037,981.83	1,111,382.45
EPLGA Revenue	4	25,755.00	50,755.00
Rebates & Credits	9	55,061.60	23,240.38
Office Subrental		38,237.00	11,669.00
Sundry Income	2	-	12,924.16
		<u>1,157,035.43</u>	<u>1,209,970.99</u>
		<u>1,790,709.68</u>	<u>1,558,653.25</u>

The accompanying notes form part of these financial statements.

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REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

INCOME STATEMENT  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	Note	This Year \$	Last Year \$
<b>EXPENSES</b>			
Advertising & Promotion		14,317.27	11,177.35
Auditors Fees		11,790.00	20,150.00
Bad Debts	10	-	54,962.62
Bank Charges & Taxes		485.88	439.65
Board Meeting Expenses		47,438.25	41,184.61
Cleaning and Repairs		19,738.99	26,900.20
Computer Expenses		12,363.45	6,319.63
Consultants Fees		7,581.50	120.00
Contracts		18,092.99	20,000.00
Depreciation		21,653.17	16,346.00
Electricity & Gas	11	18,532.10	19,768.59
Fringe Benefits Tax		4,666.08	-
Insurance		12,148.34	10,237.77
Legal Costs		7,673.00	-
Motor Vehicle	12	69,115.69	61,491.52
Photocopier Expenses		33,469.60	30,938.89
Postage		3,732.82	3,137.53
Project Funding	13	57,500.00	104,676.92
Printing & Stationery		9,890.06	12,243.90
Publications		1,497.76	1,590.86
Rates & Taxes		8,434.03	5,494.63
Rent		72,234.84	69,293.94
Security		1,046.36	917.00
Seminars		1,545.99	3,958.06
Strategic Plan		6,649.06	38,516.55
Subscriptions		5,921.77	6,304.50
Sundry Expenses		4,047.18	1,385.09
Telephone		34,945.07	28,836.56
Travel & Accommodation		19,275.72	29,440.63
Uniforms		256.78	1,636.14
Payroll	14	713,909.00	674,112.67
Payroll Overheads	15	92,948.87	69,834.90
Capital Purchases		962.64	17,519.93
		<u>1,333,864.26</u>	<u>1,388,936.64</u>
<b>Net Surplus</b>		<u>456,845.42</u>	<u>169,716.61</u>

The accompanying notes form part of these financial statements.

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REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

INCOME STATEMENT  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	Note	This Year \$	Last Year \$
<b>Surplus</b>		456,845.42	169,716.61
Accumulated surplus at the beginning of the financial year		922,118.11	752,401.50
<b>Total available for appropriation</b>		<u>1,378,963.53</u>	<u>922,118.11</u>
Accumulated funds at the end of the financial year		<u>1,378,963.53</u>	<u>922,118.11</u>

The accompanying notes form part of these financial statements.

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REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

BALANCE SHEET  
AS AT 30<sup>th</sup> JUNE 2013

	Note	This Year \$	Last Year \$
Accumulated funds		1,378,963.53	922,118.11
		<u>1,378,963.53</u>	<u>922,118.11</u>
Represented by:			
<b>CURRENT ASSETS</b>			
Cash in Hand		400.00	400.00
Cash at Bank	16	3,617,474.67	4,292,783.19
Bendigo 11am Account - Eyre Reserve		59,650.75	8,361.58
Bendigo 11am Account - Whyalla Reserve		95,383.58	58,116.00
Bendigo Term Deposit - Eyre Reserve		1,405,000.00	855,000.00
Bendigo Term Deposit - Whyalla Reserve		300,000.00	349,000.00
Project Debtors	17	277,061.79	307,981.33
Other Debtors	18	-	15,581.94
GST Refundable	19	9,908.00	11,520.83
<b>TOTAL CURRENT ASSETS</b>		<u>5,764,878.79</u>	<u>5,898,744.87</u>
<b>NON CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Plant & Equipment - at Cost		42,873.09	42,873.09
Less Prov'n for Depreciation		(36,426.17)	(34,277.20)
		<u>6,446.92</u>	<u>8,595.89</u>
Office Equipment - at Cost		123,948.65	123,948.65
Less Prov'n for Depreciation		(112,604.88)	(108,823.62)
		<u>11,343.77</u>	<u>15,125.03</u>
Furniture & Fittings - at Cost		62,267.96	62,267.96
Less Prov'n for Depreciation		(51,929.73)	(48,483.66)
		<u>10,338.23</u>	<u>13,784.30</u>
Motor Vehicle - at Cost		87,280.54	52,272.73
Less Prov'n for Depreciation		(19,246.57)	(6,969.70)
		<u>68,033.97</u>	<u>45,303.03</u>
<b>Total Fixed Assets</b>		<u>96,162.89</u>	<u>82,808.25</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>96,162.89</u>	<u>82,808.25</u>
<b>TOTAL ASSETS</b>		<u>5,861,041.68</u>	<u>5,981,553.12</u>

The accompanying notes form part of these financial statements.

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REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

BALANCE SHEET  
AS AT 30<sup>th</sup> JUNE 2013

	Note	This Year \$	Last Year \$
<b>CURRENT LIABILITIES</b>			
Sundry Creditors	20	25,519.48	39,868.46
Project Creditors	21	292,090.35	548,827.79
Project Funds Investments	22	800,000.00	-
Payroll Provision Holding Accounts	23	177,980.69	208,363.82
Eyre Reserve Project Allocation	24	599,881.61	477,704.24
Capital Reserves	25	46,976.37	57,315.93
Whyalla Reserve Project Allocation	26	102,061.45	-
Payroll Liabilities	27	40,640.00	24,270.19
Provision for Annual Leave		39,397.35	91,037.62
Prov'n for Long Service Leave		47,512.59	67,793.12
Unexpended Grants		2,310,018.26	3,544,253.84
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,482,078.15</b>	<b>5,059,435.01</b>
<b>TOTAL LIABILITIES</b>		<b>4,482,078.15</b>	<b>5,059,435.01</b>
<b>NET ASSETS</b>		<b>1,378,963.53</b>	<b>922,118.11</b>

The accompanying notes form part of these financial statements.

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REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	This Year	Last Year
	\$	\$

**1 Statement of Significant Accounting Policies**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act SA. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

**Accounting Policies**

**Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

**Income Tax**

The association is exempt from income tax in accordance with section 50-5 of the Income Tax Assessment Act.

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	This Year	Last Year
	\$	\$

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**Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

**Depreciation**

All existing plant & equipment rolled over from ERDB and WEDB has been depreciated at 20% of written down value.

All Plant & Equipment purchased during the year have been expensed on the Operating Statement.

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

**Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been accrued from the first year of service.

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	This Year \$	Last Year \$
<b>2 Sundry Income</b>		
2010/2011 WEDB ATO Refund	-	12,924.16
	-	12,924.16
<b>3 Administration Grants</b>		
PIRSA Core Funding	453,391.15	442,332.84
Western Office	33,114.64	32,306.97
Council Membership	336,335.04	393,060.64
DITRDLG	215,141.00	243,682.00
	<u>1,037,981.83</u>	<u>1,111,382.45</u>
<b>4 EPLGA Revenue</b>		
Office Rental	8,755.00	17,255.00
Secretarial Support	17,000.00	33,500.00
	<u>25,755.00</u>	<u>50,755.00</u>
<b>5 Interest Received</b>		
Bendigo Admin Account	15,248.13	7,978.47
Bendigo Eyre Reserve Account	853.85	3,567.27
Bendigo Whyalla Reserve Acct	147.74	1,269.01
Bendigo Eyre Reserve Term Deposit	53,972.57	53,940.40
Bendigo Whyalla Reserve Term Deposit	14,276.11	22,017.78
Bendigo Eyre Reserve 11am	1,289.17	2,211.58
Bendigo Whyalla Reserve 11am	2,767.58	3,116.00
	<u>88,555.15</u>	<u>94,100.51</u>
<b>6 Interest Received Projects</b>		
RDA WEP Clearing Account	6,652.18	13,751.18
RDA WEP Project Funds Account	40,215.03	46,564.79
RDA WEP Whyalla Projects	17,221.32	9,148.44
	<u>64,088.53</u>	<u>69,464.41</u>

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	This Year \$	Last Year \$
<b>7 Project Management</b>		
Regional Export Advisor	-	35,000.00
LLN TAA	-	6,998.78
Indigenous Tourism Trail	-	2,190.37
JOBS Project	264,783.13	46,666.66
Mining Training	(15,074.00)	32,192.39
Small Business Online	-	3,550.00
Barnjarla Joint Venture	-	1,631.16
Koonibba Works	-	13,149.12
Driver Operations	1,280.00	15,151.51
Whyalla Migration Project	13,731.59	16,900.00
EP Food Officer	-	3,500.00
ESA Operations	-	4,000.00
Yalata CEO/Business Manager	8,354.15	-
Koonibba Eco & Empl Manager	4,701.77	-
Elliston Coastal Trail	7,500.00	-
JOBS West	16,820.67	-
Aboriginal Hort Ops	3,906.00	-
Indigenous Cadetship Program	32,611.02	-
GMUSG	1,140.53	-
EP Leadership Program	4,500.00	-
Train, Employ, Eco Summary	3,664.00	-
Port Lincoln Garden	8,436.00	-
LLN IEP	12,121.42	-
ILC Applications	11,292.49	-
Employment Skills Development	12,300.00	-
Business Train Capacity	31,297.96	-
ALT Business Manager	4,931.08	-
Abalone Aquaculture Haseldine	2,970.99	-
Oak Valley Maralinga	1,671.77	-
Pt Lincoln Youth Unemployment	7,596.36	-
	<u>440,536.93</u>	<u>180,929.99</u>
<b>8 Capital Sales</b>		
Capital Sales	-	3,272.73
Administration - Ford G6	17,272.73	-
Eyre Reserve - VE Commodore	22,727.27	-
	<u>40,000.00</u>	<u>3,272.73</u>

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	This Year \$	Last Year \$
<b>9 Rebates &amp; Credits</b>		
Wage Subsidy	10,000.00	10,741.12
Reimbursed Income	381.14	1,890.06
Centrelink Paid Parental Leave	21,844.26	10,609.20
SA Power Network Service Fee	185.00	-
Transfer from Eyre Reserve Long Service Leave Provisions	22,651.20	-
	<u>55,061.60</u>	<u>23,240.38</u>
<b>10 Bad Debts</b>		
WEDB USGBIN Loan	-	2,009.16
BARA & Business Development	-	25,000.00
WEDB USGBIN Debtors	-	14,289.55
SA Works & USGBIN Debts	-	12,506.16
Advance Teacher Training	-	160.00
Civil Train SA	-	150.00
The Testing People	-	847.75
	<u>-</u>	<u>54,962.62</u>
<b>11 Electricity &amp; Gas</b>		
Electricity & Gas	18,532.10	19,768.59
	<u>18,532.10</u>	<u>19,768.59</u>
<b>12 Motor Vehicle</b>		
Lease Costs	42,482.19	33,453.38
MV - Fuel & Oil	14,328.70	12,995.33
MV - Registration	1,315.89	1,339.28
MV - Repairs & Maintenance	10,988.91	13,703.53
	<u>69,115.69</u>	<u>61,491.52</u>
<b>13 Project Funding</b>		
Project Management Costs	-	9,393.66
Tourism Website	-	10,000.00
EP Community Foundation	-	20,000.00
Whyalla Cuttlefish Centre	6,000.00	25,000.00
UniSA Sustainability Project	-	20,000.00
Whyalla Library	-	4,545.45
Tourism Target Team	2,000.00	3,000.00
Seafood Mission	-	12,737.81
Whyalla Sports Marketing	14,500.00	-
Whyalla Prospectus	15,000.00	-
EP Tourism Development Manager	20,000.00	-
	<u>57,500.00</u>	<u>104,676.92</u>

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	This Year \$	Last Year \$
<b>14 Payroll</b>		
Wages - General	785,625.00	631,534.32
Casual Contract	186.88	430.00
Annual Leave Provision	(51,622.27)	27,894.39
Long Service Leave Provision	(20,280.61)	14,253.96
	<u>713,909.00</u>	<u>674,112.67</u>
<b>15 Payroll Overheads</b>		
Wage O/Heads - Amenities	1,400.42	2,610.04
Wage O/Heads - Superannuation	71,002.65	56,333.16
Wage O/Heads - Training	10,009.39	2,406.49
Wage O/Heads - Workcover	10,536.41	8,485.21
	<u>92,948.87</u>	<u>69,834.90</u>
<b>16 Cash at Bank</b>		
Administration	917,835.23	468,379.85
Eyre Reserve	286,402.43	30,173.54
Whyalla Reserve	88,190.19	9,128.74
Project Funds	978,637.44	2,416,431.42
Employment & Skills Admin	107,120.24	126,819.55
Employment & Skills Projects	381,413.75	218,167.70
Business Development	16,305.44	7,291.41
Whyalla Projects	544,535.41	616,104.37
Clearing	297,034.54	400,286.61
	<u>3,617,474.67</u>	<u>4,292,783.19</u>
<b>17 Project Debtors</b>		
Project Funds	30,470.08	70,092.99
Employment & Skills Admin	871.65	2,193.89
Employment & Skills Projects	8,772.02	9,394.82
Business Development	1,134.51	29,842.34
Whyalla Projects	4,127.00	7,676.62
Clearing	231,686.53	188,780.67
	<u>277,061.79</u>	<u>307,981.33</u>
<b>18 Other Debtors</b>		
Leave Provisions	-	11,206.94
ATO Integrated Client Account	-	4,375.00
	<u>-</u>	<u>15,581.94</u>
<b>19 GST Refundable</b>		
GST Refundable	9,908.00	10,759.00
GST Adjustment	-	761.83
	<u>9,908.00</u>	<u>11,520.83</u>

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	This Year \$	Last Year \$
<b>20 Sundry Creditors</b>		
Sundry Creditors	25,519.48	11,169.17
PIRSA Business Advisor	-	28,699.29
	<u>25,519.48</u>	<u>39,868.46</u>
<b>21 Project Creditors</b>		
Project Funds	71,946.22	157,396.48
Employment & Skills Admin	39,106.12	36,772.15
Employment & Skills Projects	22,042.50	1,824.20
Business Development	14,782.14	28,858.44
Whyalla Projects	19,858.37	88,558.93
Clearing	124,355.00	235,417.59
	<u>292,090.35</u>	<u>548,827.79</u>
<b>22 Project Funds Investments</b>		
27/09/2012 - Eyre Reserve	500,000.00	-
28/06/2013 - Eyre Reserve	300,000.00	-
	<u>800,000.00</u>	<u>-</u>
<b>23 Payroll Provision Holding Accounts</b>		
Administration	135,570.45	158,221.65
Project Funds	18,236.91	25,968.84
Employment & Skills Admin	20,444.77	20,444.77
Business Adviser	3,728.56	3,728.56
	<u>177,980.69</u>	<u>208,363.82</u>
<b>24 Eyre Reserve Project Allocation</b>		
Thevenard Channel	100,000.00	100,000.00
Mining & Renewable Energy Infrastructure Plan	50,000.00	50,000.00
Eyre Project Seed Funding	115,669.39	-
Eyre Operational Funding	6,507.98	-
Unallocated Reserve Funds	327,704.24	327,704.24
	<u>599,881.61</u>	<u>477,704.24</u>
<b>25 Capital Reserves</b>		
Computer Capital	12,000.00	12,000.00
Motor Vehicle Capital	34,976.37	45,315.93
	<u>46,976.37</u>	<u>57,315.93</u>
<b>26 Whyalla Reserve Project Allocation</b>		
Whyalla Project Seed Funding	102,061.45	-
	<u>102,061.45</u>	<u>-</u>

REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2013

	This Year \$	Last Year \$
<b>27 Payroll Liabilities</b>		
PAYG Withholding	40,640.00	18,405.52
Superannuation	-	5,864.67
	<u>40,640.00</u>	<u>24,270.19</u>

## INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Regional Development Australia - Whyalla & Eyre Peninsula Inc (the association), which comprises the balance sheet as at 30<sup>th</sup> June 2013, and the income statement, a summary of significant accounting policies, other explanatory information and the statement by members of the committee.

### Committee's Responsibility for the Financial Report

The committee of Regional Development Australia - Whyalla & Eyre Peninsula Inc is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporations Act SA 1985 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT**

**TO MEMBERS OF REGIONAL DEVELOPMENT AUSTRALIA - WHYALLA & EYRE PENINSULA INC**

**Auditors' Opinion**

In our opinion, the financial report of Regional Development Australia - Whyalla & Eyre Peninsula Inc presents fairly, in all material respects the financial position of Regional Development Australia - Whyalla & Eyre Peninsula Inc as of 30<sup>th</sup> June 2013 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act SA 1985.

**Name of Firm:** Gill Penfold Kelly Pty Ltd

**Name of Director:**

  
\_\_\_\_\_  
Gregory S Nicholls

**Address:** 4 Tasman Terrace, Port Lincoln

**Dated this 10<sup>th</sup> day of October 2013**

## STATEMENT OF DECLARATION

The Board of the Regional Development Australia Whyalla & Eyre Peninsula Inc [RDA WEP] declares the following in accordance with the Associations Incorporation Act 1985 [Act]:

- [1] The accounts present fairly the results of the operations of the RDA WEP for the 2012/13 financial year and the state of affairs of the RDA WEP as at the end of the 2012/13 financial year.
- [2] The Board has reasonable grounds to believe that the RDA WEP will be able to pay its debts as and when they fall due.
- [3] That no Board Member of the RDA WEP or a firm of which any Board Member is a member or a body corporate in which the Board Member has a substantial financial interest has received or become entitled to receive a benefit as a result of a contract between the Board Member, firm or body corporate and the RDA WEP.
- [4] That during the 2012/13 financial year no Board Member of the RDA WEP has received directly or indirectly from the RDA WEP any payment or other benefit of a pecuniary value, aside from meeting and travel allowances and honorariums where appropriate, as set out below.

Name	Meeting/Travel Allowance \$	Honorarium \$
J.Pollock	750.00	5,000.00
A.Faulkner	4,378.20	1,800.00
D.Turvey	600.00	1,800.00
M.Catt	750.00	1,000.00
A.Suter	3,292.50	1,000.00
J.Velthuisen	1,633.00	1,000.00
A.Kirby	997.50	
S.Wilson	200.00	
E.Donoso	864.00	
C.McLaughlin	600.00	
B.Trigg	1,419.00	
C.Carter	740.00	
S.Adamson	1,746.81	

Signed:

  
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**Chairperson**

  
-----  
**Ag Chief Executive Officer**



# Regional Development *Australia*

WHYALLA &  
EYRE PENINSULA INC.



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